

opportunity to make choices themselves, manage their own health care, and actually become the drivers and be in the driver's seat when it comes to making health care choices. So that is another choice.

The point of this is the plan that we are going to vote on next week is going to do a number of important things. No. 1, it will take us out of the 1960's with respect to the delivery of health care to senior citizens. It will preserve the traditional fee-for-service Medicare for seniors that want it, but it will also give them a number of other choices, including managed care plans, including medical savings accounts, including some other things that I have not discussed with you that are a little bit more complex. But it will give a range of choices that will be available.

What will it do with respect to the spending? It will increase the spending from \$4,800 per year to \$6,700 per year. What does that mean over that period of time? It means we are going to spend twice as much on Medicare in the next 7 years than we have spent in the previous 7 years. It also means that we are going to increase the spending on an annual basis of about 6.5 percent per year. In other words, we are increasing 6.5 percent per year on average from 1995 to 2002.

What are we doing right now in the private sector? Well, in 1994, a big six accounting company report came out and said that the increase in the inflation in the health care sector is now down to about 3.1 percent in the private sector. Think about that for a second. Why has it gone down to 3.1 percent? The reason that it has gone down to 3.1 percent is that America has woken up. Individuals, families, companies, employers, they have said we are not going to allow this to continue, this kind of double-digit health care inflation. We have had it. We are going to do what is necessary to squeeze all the fat out of the delivery of health care in this country. We are going to fix the problem. That is exactly what the private sector has done.

What was it that CBO had projected the increase to be at which gives the Democrats, my friends on the other side of the aisle, the ability to claim this \$270 billion cut, which does not exist, of course? Well, what was the projection by CBO? They projected we would be increasing at 10.5 percent per year over the next 7 years.

We are saying we are going to increase at 6.5 percent per year. But either way, what has made it possible? Why is it that we have gone up at 10.5 percent per year in the public sector, with government funding of health care, but we are now only going up at 3.1 percent in the private sector? The fact is that it goes up at 10.5 percent per year because it can, because we have allowed it to, because we have said that is what the amount is going to be. We have made it an entitlement, and nature abhors a vacuum, so the amount of spending will certainly fill

the amount that is appropriated. It is absolutely guaranteed that will happen.

My own prediction about what will happen with respect to the Medicare reforms is that we will not need the 6.5-percent increase. We will not use that much money because these other factors will come into play and will actually use market forces to squeeze out the waste, fraud, and abuse, to squeeze out the fat, to squeeze out and bring about market competitive forces into play.

So that is what we will be dealing with next week on the floor. I think, Mr. Speaker, the American people deserve to know the facts about this and that, the more that they learn about Medicare, the more that they see exactly what choices will be available to them, the expansion of the choices, the more that they will absolutely and utterly reject the scare mongering, what the Washington Post called medagogy that has been taking place on the other side of the aisle. And I think it is to the discredit of the President of the United States that, while he had, up until the past 2 or 3 weeks, been, very frankly, evenhanded and accurate in his rhetoric about the problems with Medicare and the need to fix those problems, he has now dived into the same muck bucket that my friends on the other side of the aisle have been engaged in all year by making this a political issue and politicizing it rather than making it a policy issue that deserve everybody's attention and that they should join us to try to come up with solutions that will be real.

This letter that Bob Rubin, the Secretary of the Treasury, has decided to send now, which is blatantly political, that letter is clearly an example of this decision that was probably made in consultation with pollsters, handlers, and political consultants to go political on the course instead of to talk about it in a dispassionate, rational way so that this program that is so important to American senior citizens could be preserved. Instead, what you get now is a great deal of scare mongering and the attempt to create anxiety on the part of senior citizens.

I know that, Mr. Speaker, they are not going to believe it. I know that they know that we have parents who are on Medicare ourselves and that we feel the responsibility that responsible legislators everywhere in this country feel, and that is to do what is right to preserve this program that has been a great success for the American people.

With that, Mr. Speaker, I will yield back the balance of my time.

REPUBLICANS RUSHING MEDICARE REFORM LEGISLATION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60

minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I probably will not use all the hour, but I will ask for at least that initially.

I wanted to come because of the developments that have occurred in the last few weeks particularly this week with regard to Medicare and the Republican leadership proposal to change Medicare.

I happen to be a member of the House Committee on Commerce. The Committee on Commerce spent this past Monday and Tuesday doing a markup of the Medicare bill and did report the bill out on Tuesday late in the evening. I am very concerned about that bill. I understand it may be coming to the floor sometime next week, perhaps as early as next Thursday.

I think it is a terrible thing that this legislation is coming to the floor of the House of Representatives without ample opportunity for hearings and sufficient debate.

As I have mentioned before on the floor of this House, Mr. Speaker, our Committee on Commerce did not have hearings on the legislation. In fact, a substitute bill, which was actually the bill that we voted on just this past week, we only received about 24 hours before the time we were actually asked in committee to mark up the bill. So what, in effect, the Republican majority is doing is rushing Congress into these Medicare changes without most of us even knowing what the changes are and what the implications are going to be on America's seniors.

Just to illustrate that point, I wanted to start out, Mr. Speaker, by entering into the RECORD, and I think part of it may already be in the RECORD, but I wanted to mention some highlights of an editorial that was in my hometown newspaper, the Asbury Park Press, on Tuesday, October 10. And if I could just highlight some of the statements that were made in the editorial, it is captioned "Explain The Changes":

Congress should not be rushing on Medicare. The editorial starts out by saying that congressional Republicans are moving too fast on reforming Medicare, the Federal health insurance program for the elderly. They propose to squeeze \$270 billion from Medicare spending over the next 7 years, about a 14-percent reduction. And, as they did in their first 100 days, the Republicans plan to speed up the voting on their Medicare spending bills without taking much time for floor debate.

Given their importance, the revolutionary changes the Republicans propose are worth at least as much time and attention as they have given to, say, the Whitewater affair. As it stands, two House committees plan to complete action on the Medicare changes by tomorrow night. That was earlier this week, just 2 days after revised versions of the bill were distributed to committee members. And again, that is exactly what we did.

Under one major GOP proposal to save money, senior citizens would be

given incentives to switch to managed care plans instead of the traditional and more expensive fee-for-service. Yet Congress so far has given short shrift to some of the reservations expressed by seniors and others about managed care.

Polls indicate that most senior citizens as well as other Americans fear that congressional Republicans seeking not only to slow the growth of Medicare spending but also to wring enough savings for a tax cut that would benefit mostly the wealthy.

Finally, the editorial says that it is difficult to determine just how the Republicans arrived at their numbers because too few details have been released. That is not information the Republicans should shield the public from. The debate should be open, robust and based on a complete understanding of the facts. Anything else invites misperceptions and misinterpretations.

I think what we are seeing in this editorial is that more and more the media around the country, the newspapers, are coming to the realization that these Medicare reforms by Speaker GINGRICH and the Republican majority are being moved too fast without adequate opportunity for debate, without anyone really knowing exactly what the changes are going to mean other than the fact that we know that the savings are going to be used for a tax cut, which, once again, goes mostly to wealthy Americans.

Now, one of the things that I was most upset about this week, and I know it has received a lot of attention in the media, but I want to mention it myself because I was there, and that is on the second day of our hearings earlier this week, there were senior citizens representatives. I did not know where they were from, but they turned out to be people from the National Council of Senior Citizens, who came to our Committee on Commerce room. Some of them were very elderly. Some were as old as 90, and wanted an opportunity to address the committee. They basically were told that that opportunity would not be presented and, after they tried to speak, they were arrested.

They were handcuffed and they were basically led out of the Rayburn Office Building into a paddy wagon where they were taken down by the Capitol Police, potentially to be booked, although I understand later that they were released and not charged with any kind of trespass.

Mr. Speaker, I subsequently got a couple of pictures of these senior citizens. Just to give you an idea of the situation, I would just like to point them out here. This is the woman who initially tried to speak and basically was told that she could not. You can see there where she is being taken away, essentially. Then afterward, out in the corridor, there were additional senior citizens, as I said, who were actually handcuffed and taken away.

□ 1330

I do not want to get into all the details of this, but it was very upsetting to me, because I think it would not have happened if the opportunity had presented itself for seniors and their representatives to actually have addressed the House Committee on Commerce, and the fact that they were not given that opportunity is the reason why so many of them were upset and why we had this very unfortunate incident. I only point it out again because I think it is important, and it is not just individual seniors. It is also the newspapers, including my own in my own area, the part of New Jersey that I represent, who have expressed outrage and astonishment over the fact that there has not been an opportunity for seniors and other Americans to make their case about these Medicare changes that are so important to the country.

The previous speaker, the person who spoke before me, suggested, and I know this has been a basic tenet of the Republican leadership that somehow Medicare is broke; it faces bankruptcy if we do not do something about it that that is significant, we are going to be faced with a situation where it will not exist any more. Nothing could be further from the truth with a lot of statements made by the previous speaker about the trustees' report and how the trustees have predicted insolvency in 7 years.

One of the things I want to point out in response to that is that every year the Medicare trustees issue a report, and they predict how many years it will be before the fund that finances Medicare will be insolvent, and if you look at it, there are great variations over the years. Starting in 1970, I have a chart here where if trustees predicted insolvency in 2 years, in 1971, again, in 2 years, in 1972 in 4 years, most recently in 1995, the report that the gentleman, my previous speaker mentioned, 7 years, in 1994 it was 7, in 1993 it was 6, and it goes on and on. The point of the matter is that a tremendous amount of attention has been focused by the Republican leadership on these trustees' reports, but they fail to mention that many times over the last 30 years or so or the last 25 years, that these reports have come out that indicated a certain number of years in the future when this program would possibly be insolvent.

It has really been an issue before except that Congress periodically steps in and tries to correct the situation. The bottom line is this is nothing new. This is not an emergency situation that requires the level of cuts and the level of changes that the Republican leadership is basically suggesting.

Mention was also made of Secretary Rubin, the Secretary of the Treasury Rubin letter of September 21 to the Speaker and to Senator DOLE wherein he points out, and I will quote that:

No Member of Congress should vote for \$270 billion in Medicare cuts, believing that re-

ductions of this size have been recommended by the Medicare trustees or that such reductions are needed now to prevent an imminent funding crisis. That would be factually incorrect.

So basically not only Secretary Rubin but other trustees I could cite have specifically said that the Republican proposal to cut this huge amount of money out of Medicare, \$270 billion, 14 percent, is not the answer to the trustees' concerns and, in fact, by cutting the program by that amount of money, all you are really doing is making the situation even worse for the Medicare Program and for those who benefit from it.

I also wanted to address the fact, and I was very concerned when the previous speaker mentioned Medicare savings accounts as somehow being the answer to all of our problems. My concern with these so-called Medicare savings accounts, which is one of the new ideas that the Republican leadership have come up with in this Medicare plan, is that what it is going to do is make the situation even more serious in terms of the amount of money that is available to the Medicare Program, in other words, aggravate the situation so that even less money is available in the program. What we know now is that 90 percent of Medicare beneficiaries basically cost the Government about \$1,000 a year, in other words, most, the overwhelming 90 percent of seniors who receive Medicare basically do not take advantage of much health care activity, if you will, over the course of the year, because they are not sick and they only cost the Government, the Medicare Program, about \$1,000 a year. So if all of these, or a significant number of these well seniors who do not need a lot of medical attention end up getting Medicare savings accounts and the Government has to contribute something like \$4,000 a year to these Medicare savings accounts, the Government is basically going to be losing money, because it would normally cost them only about \$1,000 a year to maintain the health of those seniors, and now the Government is transferring all of these additional funds to these Medicare savings accounts.

It is nice, I mean, I am not going to be critical of the fact that some of the seniors may actually end up having some more money as a result of this, but in a situation where the Republican leadership is talking about the insolvency or suggesting that Medicare is insolvent and how we have to cut \$270 billion out of the program, why in the world are we trying to, in effect, inflate the program by costing the Government as much as \$3,000 more per person if the majority of the people who go into Medicare savings account are people who are fairly well? And those are the people that are likely to do it, because if you think that your health is not that great, you are not going to want to risk going into the Medicare savings account where you might have to shell out a lot of money.

So we know that these Medicare savings accounts are going to cost the Government a lot of money, and I think it is fiscally irresponsible to rob the Medicare Program of billions of dollars by setting up these savings accounts when theoretically your reason for Medicare reform is to try to save the Medicare Program some Federal dollars.

I think that what we really have here, I know what we really have here, and it is documented well based on the statements that were made in the Committee on Commerce when we marked up the Republican Medicare bill this week. What we really have here is an effort to try to come up with some money by squeezing Medicare to pay for a tax cut, and I know that my Republican colleagues deny this is the case, but if you look at the way this program is set up, the way this bill has come out of committee, there is no question in my mind that that in fact is what is going on. Now, let me explain why I say that. Of the \$270 billion that is proposed for reduction in Medicare by the Republicans, nearly half of that money would not even go to shoring up the Medicare hospital trust fund, known as Medicare part A, which the Republican leaders claim faces insolvency. This part A, the hospital trust fund, is what is discussed in the trustees' report, not part B, which is the separate program that seniors pay into which goes to pay for their doctor bills, and basically part A is where if we have extra money, if we ever have the money, we should be trying to put it in order to shore up the plan.

We estimate that about \$90 billion would be needed to shore up, if you will, and to avoid that potential insolvency 7 years from now in part A. So if you took about \$270 billion, compared to the \$90 billion that the trustees really need, you can see that the difference is essentially what would be used for the tax cut.

What they are doing with part B, instead of, in order to guarantee that there is a lot more money available there that could be used for a tax cut is increasing premiums. We have heard over and over again on the floor of this House that the part B premium will go from about \$46 a month that the seniors pay right now to over \$90 a month by the year 2002, in a sense doubling, and the problem is that this part B, the money that goes into part B, including all that additional money that is going to come from the increased or doubling of the premiums, the seniors would pay under the Republican plan, that comes out of the same fund or goes into the same fund as it used for the \$245 billion in tax cuts that has been proposed by the Republican leadership. Since any changes to part B do not impact the insolvency of part A, again they are separate funds, it is highly likely that the part B cuts could be used for tax cuts, again which I said much of which goes to the wealthiest Americans.

In an effort to try to make sure that was not the case, in other words, that whatever cuts came to this Medicare Program under the Republican bill would not be used for tax cuts, we, the Democrats on the Committee on Commerce, tried a number of amendments earlier this week, because our point was, well, if you on the other side are saying that you are not going to use this for tax cuts, well then, fine, you know, go along with some of the amendments that will make that perfectly clear that this money that is being cut from Medicare is not going to be used for tax cuts, and so we came up with a few amendments. I actually proposed the first amendment, which was basically to say that since part B is not insolvent, since part B, which is generated through these premiums as well as general revenues, is not a program that faces potential insolvency or bankruptcy, why do we need to deal with part B at all? So the amendment that I proposed basically struck part B from the Medicare bill, the idea being that we would only deal with part A, since that is where the potential problem is. Well, that amendment was, of course, defeated. I would maintain the reason it was defeated is primarily because the fact of the matter is the Republican leadership intends to use this money for tax cuts.

But then in the Committee on Commerce, the gentleman from California [Mr. WAXMAN] offered another amendment after mine that basically I called directed scorekeeping. It is sort of a technical term. But what it means is that if the money is saved in Medicare and it is put aside under the budget rules, a tax cut can be implemented, because he knows that that money for Medicare from the cuts in Medicare has been set aside and is sitting there as part of the Federal budget. In other words, the idea is that since the money is there, you can score against it or charge against it to implement a tax cut, and so the gentleman from California [Mr. WAXMAN] had an amendment that basically said that the Director of the Congressional Budget Office shall not include estimates of net reduction in outlays under the Medicare Program for fiscal years 1996 through 2002, the 7 years, to the extent that such net reductions exceed \$89 billion. So what he was saying is that you can score \$89 billion of that \$279 billion for the savings to shore up the part A hospital trust fund, but you cannot score any more of it that could possibly be used for a tax cut, and again that amendment was defeated. I think that the defeat of the amendment offered by the gentleman from California [Mr. WAXMAN] showed definitively that what the Republican leadership has in mind is to use this money for a tax cut, because if they did not have that intention, they would not have found it necessary to use that money for scoring for budget purposes.

Now, what is it, what is this Republican Medicare? What are these Medi-

care changes essentially going to do? We know they are trying to save \$270 billion or cut \$270 billion. I believe very strongly that is going to be used for a tax cut.

How are they going to do it? In other words, what is actually going to happen to the Medicare Program, and how is that going to translate into the type of health care, quality of health care that seniors will actually get if that level of cuts is implemented? Basically what the Republicans are doing is they are limiting Medicare spending to specific dollar amounts in the law. It is what we call caps. In other words, they are saying that only so much money can be spent on Medicare, and that is it. It is capped. The problem though is that if you look at these caps and the level of spending that is going to be allowed with all the cuts is that they do not bear any relationship to the actual cost of health care.

All of us would like to save money. Frankly it would be wonderful if we could save billions of dollars in the Medicare Program, and we can to some extent. But if you put artificial caps on the amount of spending that is available because you want to use that other money for a tax cut, well, the problem is if they have no relation to the actual costs of health care, what you are doing is squeezing the Medicare system. You are making it so that traditional care and the quality of care that hospitals and physicians give you they can no longer give you, because the money is not there to pay for it.

What I think that the most important or the most significant aspect of this initially is that a lot of seniors are going to lose their choice of doctors. In other words, the Republicans feel very strongly that if they put a lot of seniors, if they force a lot of seniors in effect into what we call HMO's or managed care where they do not have a choice of doctors, the Republicans believe that that will then accomplish a lot of savings, and they will save a lot of money, because they feel that the HMO's or managed care ultimately will save money.

I would argue that the jury is definitely out on whether or not HMO's or managed care actually save dollars in the long run, but clearly what the Republican leadership is doing here in coercing seniors into HMO's or managed care. I know that the previous speaker said that, you know, seniors are going to continue to have choices if they want to stay in a traditional fee-for-service plan where they have their choice of doctor; they go to the doctor that they have been seeing for years, and he just gets reimbursed. They can continue to do that; they do not have to necessarily sign up for an HMO. But there are some very cute budgetary gimmicks in this Republican Medicare proposal that are going to make it increasingly difficult for you to stay in a traditional fee-for-service plan where you have your own doctor, and the reason for that, there are many reasons,

but one of the key reasons is because the cuts impact much greater on the traditional fee-for-service plan than they do on HMO's or managed care. This is in the bill that came out of the Committee on Commerce, what we call a fail-safe that says that after a few years if savings are not achieved in this sufficiently to reach that goal of \$270 billion—through the changes that we have suggested in Medicare, if we find after a couple of years that we are not saving that level of money, we are not likely to save that level of money over the seven years—then a fail-safe comes into play that cuts back on the reimbursement rate that doctors and hospitals and other health care providers get from Medicare. But the fail-safe, the cutbacks at that point, do not come on the HMO's or the managed care patients or systems but strictly on the fee-for-service side. So in essence what is happening is after a couple of years the squeeze, if you will, the amount of money that goes into the traditional fee-for-service plan where you can choose your own doctor and get reimbursed, the squeeze is solely on the people that remain in those traditional fee-for-service plans. So what it is going to mean is less and less money is going to go to doctors or hospitals that are in the traditional fee-for-service plan and you will find increasingly that you cannot find a doctor through a traditional fee-for-service plan, and you have to go to an HMO if you want to get any kind of attention.

It is very unfortunate, but it is a rather cynical way, if you will, of eventually abolishing or making it impossible for seniors to stay in the traditional fee-for-service system.

I wanted to just talk a little bit more about some of the amendments that Democrats proposed in the Committee on Commerce to try to improve on this terrible proposal that the Republican leadership has put forward on Medicare. I think a lot of us recognize that even though we thought the overall plan was terrible that if there was some way we could amend it in committee to lessen some of the worst aspects of it, at least we would have accomplished something. But every one of these amendments, every one of these attempts on our part to try to correct the bill or make it a little less onerous failed. Some of these amendments though, or corrections if you will, do point out how sinister this plan is in various ways. I just want to talk about a few of them. I do not want to talk about too many of them, because we could stay here all day, and I do not want to take up that much time.

The gentleman from Massachusetts [Mr. MARKEY] offered an amendment basically that would have decreased the part B premiums and taking the law back, the Medicare law back to what it is today. A lot of people, a lot of the Republicans have come on this floor and they have said, well look, why are you Democrats talking about doubling the part B premiums, the pre-

miums that you pay for doctors, when in reality the part B premiums would be going up anyway over the next few years? Well, the fact of the matter is under the current law the part B premiums do go up. It is now about \$46 a month, and under current law by the year 2002, 7 years from now, the premiums would go up to about \$60 a month. But I would point out that that \$60 a month under current law, assuming current inflation, is significantly less than what Speaker GINGRICH has proposed. Speaker GINGRICH's proposal and the bill that came out of committee would double the premiums. They'd probably be at least \$90 per month as opposed to the \$60 that exists under the current law.

The reason for that is very simple. Under the current law, the percentage that seniors pay actually goes down in the next few years, because it was understood that it is very, very difficult for a lot of seniors who live on fixed incomes to pay very high premiums, and so if we do not change the law you will see the actual percentage seniors have to pay out of pocket for part B go down, and that even with inflation, although there will be some increase in your part B premiums, it will not be anywhere near as great as what Speaker GINGRICH has proposed.

That amendment, of course, by the gentleman from Massachusetts [Mr. MARKEY] to try to strike those drastic increases in the part B premiums also failed because of Republican opposition.

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The other thing I think is particularly sad, when you talk about the part B premiums, and, again, something we tried to change in committee unsuccessfully, is that under current law Medicaid pays the total cost of the part B premium for seniors who fall below a certain income, who are low-income seniors.

Well, the Medicare bill and the Medicaid bill that we passed out of the Committee on Commerce a week earlier has eliminated the requirement for the Federal Government to pay the part B premiums, the \$40-some odd a month for those low-income seniors. And there are millions of them.

What we did in committee this week is we tried to incorporate into Medicare, into this Republican Medicare bill, a requirement that that premium for the low-income seniors would be paid under Medicare. Again, that amendment was defeated.

I think some of my colleagues on the other side have suggested that, well, that is OK, because these low-income seniors can all go into an HMO and the HMO will take care of their physicians' bills, so they do not need part B anymore.

That is a false assumption. First of all, there is absolutely nothing in this Republican Medicare legislation that guarantees anyone that they are going to have an HMO in their area that will

pay for physicians' bills that is available to them at a decent cost. So I think what you are going to see is a lot of low-income seniors, or even middle-income seniors, will simply not be able to pay for their part B premiums, and the consequence of that is they simply go without part B and they do not have health insurance that pays for their doctors' bills.

The other thing we tried in committee that I was very supportive of is if you have this terrible Republican bill that basically forces a lot of seniors into HMO's or managed care where they do not have a choice of doctor, at least change the law when we pass this bill, let us put into the bill what we call a point of service provision, that says that if you are in an HMO or managed care system, and all of a sudden you need to go to a specialist or a doctor that is not part of the system, that is not on the list, so-to-speak, that at least you can opt out of the system and go to that other doctor, even if it means you have to pay a little more out-of-pocket in order to see the doctor that is not part of the HMO.

I am not saying that is a great alternative, because you have to shell out more money out of your pocket. But at least the option would exist under point of service, as we call it, so that if you were forced into the HMO or managed care, but you wanted to go see a doctor not in the system in a particular circumstance, if you could afford a little extra copayment, you could operate to do that.

Again, that point of service provision was defeated. It was actually an amendment that was offered by a Republican member of the committee, the gentleman from Iowa [Mr. GANSKE], who is a physician, but we did not have sufficient votes on the Republican side in order to guarantee that the point of service option would be available.

One of the most sinister things in this Republican Medicare bill the way it came out of committee, again, is that there has been an effort to try to change the current law that limits the amount of money that seniors have to pay a physician out-of-pocket. In other words, under current law if you are under Medicare and if you are covered by Medicare and you see a physician, they can only charge you a certain percentage increase for a copayment. But in this bill that came out of our committee that is going to be voted on the floor of this House probably next week, those provisions were changed in certain circumstances.

If you decide to join that we call a hospital network, or doctors network system, in other words, if you decide to join a managed care system which is put together by a hospital or by a certain group of doctors, rather than the ones that are advertised on TV, the large ones, the large HMO's, managed care systems, then they allow what is called balanced billing in those systems, where the doctors can charge you

basically whatever they want for a copayment.

This is the first time under Medicare in my memory that any exemption has existed from the limitation on what the doctors can charge for a copayment. And what I would say is happening here, and the reason this is happening, is very simple: So much money is being squeezed out of the Medicare system, so much money for health care needs is being squeezed by these cuts in Medicare, that the recognition is out there on behalf of the Republican leadership that they need to provide a situation where seniors can be charged a lot more by their physicians in order to provide quality care. So they are building this exemption, knowing full well that some seniors may want to get into a better quality system through a hospital or doctor network in their area that is going to provide the quality physicians, that is going to provide the quality care, but the only way to pay for it is by charging the seniors more out-of-pocket so the physicians can charge whatever they want.

I think it is a terrible recognition of the fact that there is not going to be enough money in this Medicare system the way the Republicans have put their bill together to provide for quality care. That is just a beginning, I think, of what you are going to see, where more and more money has to be paid out of pocket by senior citizen in order to guarantee them quality care.

I had a little chart, which I do not actually have in front of me, but to give you an idea I will read from it, that gives the percent of income spent on out-of-pocket costs by adults 65 and older in 1994. Of the total elderly population, 21 percent of their income is basically spent for out-of-pocket health care costs. If you look at senior citizens who are below poverty, that shoots up to 34 percent. Low-income seniors, 34 percent of their income was actually spent on out-of-pocket costs for health care.

So already we are in a situation where a lot of senior citizens spend a significant amount of their money out-of-pocket to make up for deductibles, copayments, and other health care necessities. And with this bill, you are going to see even more of that occurring, particularly when it comes to the balanced billing provisions.

I just wanted to mention a couple more things, because I think they are particularly egregious, and these again were things that the Democrats tried to change in the bill, in the Medicare bill in the Committee on Commerce, but, again, we were unsuccessful.

The Republican leadership, and particularly the Speaker, have made such an issue over the fact that there is a tremendous amount of fraud and abuse in the Medicare Program under current law, and that is certainly true. Estimates are that something like 10 percent or perhaps more of the money in the Medicare Program is wasted, either

because of fraud or abuse or just general waste. All of us, I think, on both sides of the aisle, Republican and Democrat, would like to see certain things done to correct that. And we were hoping that any kind of Medicare reform legislation that came out of the Committee on Commerce as a result of this Medicare debate would seriously try to address the fraud and abuse problems.

The sad thing is this bill that was reported out of committee actually makes it more difficult for the Federal Government to go after those who are committing fraud and to weed out the abuse in the system.

I think it is a particularly sad commentary on the fact that here was an opportunity, particularly in a climate where we are trying to save money and we know there is a tremendous amount of money that could be saved, to make it more difficult for the Government to go after fraud and abuse.

If I could just read from some of the statements that were made by the inspector general of the Department of Health and Human Services about the bill and why it would make it more difficult for the Government to go after those who are defrauding the system.

Over the course of 7 years, the 7 years we are talking about here, it is estimated that \$126 billion could be saved by reducing fraud and abuse. But the GOP bill actually makes the existing civil monetary penalties and antikickback laws considerably more lenient. According to the inspector general, the Medicare restructuring legislation:

Would substantially increase the government's burden of proof in cases under the Medicare-Medicaid antikickback statute. Although a fund would be created to direct moneys recovered from wrongdoers, this fund would not go to further law enforcement efforts.

What the inspector general said is that the one way that we can significantly crack down on fraud and abuse is if there are more enforcers out there. This bill actually makes it more difficult for enforcement to take place, because, on the one hand, it increases the standard of proof of the Government in going after those who are taking advantage of the Medicare system, and that whatever money is recovered does not go to hire more people to do law enforcement. So actually there ends up being less people out there who are going after the abusers.

I just think that is a particularly egregious situation, because so much has been played about the need to deal with the fraud and abuse problem.

I would like to conclude in just a couple more minutes by saying that although I talked about Medicare today, and that is what we are going to be voting on next week, the problem of what seniors are going to face with Medicare because they are going to have to pay so much more money out of pocket is aggravated because of what is happening on other fronts with regard to senior citizen concerns.

A couple weeks ago in the Committee on Commerce we reported out a Medicaid bill which, and, again, the Republican leadership is trying to cut about \$180 billion in the Medicaid program in order to pay for their tax cuts. If you combine the cuts in Medicaid, \$180 billion, with the cuts in Medicare, \$270 billion, you see a tremendous amount of money is going toward cuts that primarily impact the elderly, because 70 percent or so of the money that is spent on Medicaid, which is the program for the poor, health care for the poor, still goes to pay for senior citizens, most of whom are in nursing homes.

So what we are going to see is that senior citizens are going to have to pay more out of pocket for Medicare, they or their families are going to have to pay more out of pocket because of the cuts in Medicaid.

Then looking on the horizon, and it had a lot of attention in the media today, is the proposed cut in the COLA for Social Security. I mention that again, first of all, because I am opposed to the cuts in the COLA that are being presented; but even more important because, think, about the senior citizen.

Let me give you an example, let's say a senior citizen of low income, who now is being told that your Medicare part B premium is going to go up, it is going to be doubled over the next 7 years; that the supplement, the Medicaid provision that pays for part of your Medicare part B is possibly going to be eliminated; and then you are not going to get the COLA that you expect to take into consideration inflation over the next few years.

Well, if you think of that combination, less of a COLA, more out of pocket for Medicare, and loss of any kind of supplement for Medicaid, you are talking about senior citizens that are getting a double, triple, or even more possibly with cutbacks in other programs like nutrition or outpatient care, a double, triple, quadruple whammy.

The thing that is amazing to me is how so many of our colleagues on the other side just refuse to recognize how the combination of all these cuts and increased out-of-pocket expenditures and less of a COLA are going to have such a devastating impact on people who have fixed incomes.

I have to say, and I am not just talking in an insider's sense here, when I go home on weekends, when I am in the district, when I am in New Jersey, seniors come up to me on the street, they come up to me in my district offices, and they explain how they have budgeted down to the last penny or the last dollar, and they simply cannot afford the types of increases that we are going to see here. These increases are not necessary.

If we eliminated or even cut back significantly on the tax cut, particularly those provisions that are going to the wealthy, then we would not have to make these kinds of cuts and cause

these out-of-pocket expenditures to occur.

So, again, this is a needless effort on the part of the Republican leadership. I think it is a shame. I hope that more and more Americans will see the light on these terrible changes that are being proposed.

TRAVEL AND TOURISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. Speaker, I thank the Speaker for granting me this time, and I want the Speaker to know I am speaking about a subject that of much interest to him and to myself, and I think just about every Member I would think in this body. Because, Mr. Speaker, today I want to talk just a few minutes about travel and tourism.

Travel and tourism has a great story to tell in America. It is not always told. Let me say, Mr. Speaker, that from our largest cities to our smallest towns, along superhighways and the back roads of America, no other industry spreads economic development as widely as travel and tourism. It is obvious how tourism impacts the districts of New York or Los Angeles or Miami, but many of the people in Congress represent a much different segment of America, and they ask, how does tourism affect me in my district?

So let me say that whether it is a large district, a strong economic district; whether it is a small town, whether it is rural America; whether it is a State without a coastline, does tourism affect you? You bet it does. Every town with a gas station, a motel, or a diner, is impacted by tourism.

In these areas, tourism is a catalyst for community development. It spurs new businesses, encourages park and historic site restoration, and stimulates community growth. Tourism funnels millions of dollars and thousands of jobs into every State, every congressional district, in America. In fact, the travel and tourism industry puts food on the tables, pays for the bills, and provides solid careers for people in every congressional district of America.

Across this Nation, tourism supports the lives of 13 million working Americans. It is the Nation's second largest employer. That is right, travel and tourism is the country's second largest employer. This is the industry of the future. By the year 2005, in 10 years, executive and administrative positions alone, within this industry, will outnumber the total employment of all but two manufacturing industries.

Not only does travel and tourism create millions of jobs, but it generates billions of dollars in revenue. Just listen to this: In 1994, last year, travel and tourism generated \$417 billion in sales. That is right, \$417 billion in sales as well as \$58 billion in tax revenues for our country.

But there is more to the tourism story than just jobs and dollars. Tourism is also about community revitalization and helping the American family. Our communities desperately need tourist dollars to resurface roads, to build new highways, to restore parks and recreation areas, and improve our schools. In fact, without these revenues each American household would have to pay an additional \$652 a year in taxes. So wherever you are in America, what is travel and tourism doing for you? It is shaving your tax bill by \$652. Tourism dollars prevent higher taxes in America. Tourism means jobs. Tourism is leading this country into the 21st century for economic development and jobs.

Increasing export trade means that in 1993, the travel and tourist industry trade surplus reached an all-time high of over \$22 billion.

This year, we are going to have the largest trade deficit. It is going to be close to \$200 billion. Last year it was \$166 billion. But do you know what is keeping at least part of this trade deficit in line? Is what we are doing with tourism. Because when the tourist comes to America and buys a dollar's worth of goods or services, it is the same as if we sold that goods or service overseas.

On October 30 and 31 we are going to have some 1,700 industry professionals here in Washington for the White House Conference on Travel and Tourism. It is the first time we have really had a conference like this. And when you see what is happening in travel and tourism around America, the developments of travel and tourism globally in the 21st century, this is truly preparing our children and our country for a huge economic development.

So I am asking Members of the House to join in our Travel and Tourist Caucus. We now have 286 Members. The Travel and Tourist Caucus is the largest caucus in Congress. I am asking Members to join up before October 30 and 31, so that when we have the people from this huge industry come to Washington, we can tell them what they can do with us for the future of America.

I am also asking Members of this body to look at H.R. 1083, the Travel and Tourism Relief Act, what it can do economically for our country, for every district, for the jobs in America. I am asking Members to do those three things: First, become active in the travel and tourist conference; second, to look at this legislation; and, third, to fight to preserve and to build better jobs.

SPECIAL ORDERS GRANTED

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

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

Mr. SKAGGS, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. BONIOR, for 5 minutes, today.

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

Mr. WELDON of Florida, for 5 minutes, today.

Mr. KIM, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SKAGGS) and to include extraneous matter:)

Mr. BONIOR.

Mr. TOWNS.

Ms. DELAURO.

ADJOURNMENT

Mr. ROTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Tuesday, October 17, 1995, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1529. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that the President intends to exercise his authority under section 610(a) of the Foreign Assistance Act in order to authorize the furnishing of \$2.8 million to El Salvador, pursuant to 22 U.S.C. 2411; to the Committee on International Relations.

1530. A message from the President of the United States, transmitting notification for DOD to make purchases and purchase commitments, and to enter into cost sharing arrangements for equipment to develop manufacturing processes under the Defense Production Act of 1950, as amended, pursuant to 50 U.S.C. App. 2093(a)(6)(A) (H. Doc. No. 104-124); jointly, to the Committees on Appropriations and Banking and Financial Services, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. QUINN:

H.R. 2480. A bill to establish an Office of Inspector General for the Medicare and Medicaid Programs; to the Committee on Government Reform and Oversight, and in addition to the Committees on Ways and Means, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. SEASTRAND (for herself, Mr. GILCHREST, Mr. COX, Ms. DUNN of