

Ms. DELAURO. Mr. Speaker, this week the House of Representatives will take up unprecedented cuts of \$270 billion from Medicare which has been a lifeline for over 37 million seniors. During its 30 year legacy, Medicare has provided our elders with the security of health care coverage and has lifted millions of our seniors out of poverty. Medicare is a solemn contract between this Nation and our elders. It should not be tampered with lightly.

Over the years, those of us genuinely concerned with strengthening the Medicare system have urged a crackdown on Medicare fraud. The Congressional Budget Office estimates that stopping the growing problem of fraud will reap billions of dollars in savings.

But you don't need some policy-wonk's study to tell you that the system is rampant with waste, fraud, and abuse. Just visit one of our Nation's senior centers and sit down for a senior lunch and ask one of our senior citizens to show you their bills.

However, the Republican bill we will take up later this week does not toughen enforcement. It does not even defend the status quo. Even worse, the Republicans turn back the clock on cracking down on Medicare fraud.

Sadly, I am not surprised. As Speaker GINGRICH said last week in this Washington Times article, in his feeble effort to defend GOP moves to reduce penalties and enforcement efforts against Medicare fraud: "murderers out after 3 years" and rapists who don't even get tried." "For the moment, I'd rather lock up the murderers, the rapists and the drug dealers," he said. "Once we start getting some vacant jail space, I'd be glad to look at it."

The Republican leadership is not interested in correcting and punishing the criminal elements in the Medicare system. Because that may hurt the special interest supporters in the medical industry.

Their priority is to ensure that the special interest supporters in the medical industry are taken care of, with minimal losses in this debate on cutting Medicare.

So, while the Speaker cuts a deal in a backroom with the American Medical Association to make sure that the interests of doctors are protected, while the health care cheats make a fast buck at the government's expense, seniors are being asked to pay more in out-of-pocket costs and deductibles.

My colleagues on the other side of the aisle have abandoned the most obvious of the potential savings in the Medicare program: Combating Medicare fraud and abuse. I introduced legislation this Congress, the Health Care Prosecution Act, to do just that. My bill stops health care cheats in their tracks, retrieves the financial losses in restitution and fines, and puts the criminals behind bars so that they are unable to promulgate more health care scams in the future.

Further, my legislation establishes a temporary health care fraud and abuse

commission to study the nature, and extent of fraud in our system. The commission would make recommendations to Congress on innovative approaches to attack fraud.

Mr. Speaker, I think my bill is a good one but it is not the only effective way to crack down on fraud. There are lots of good ideas out there about how to rid our system of the scams that are ripping off our Nation's seniors and taxpayers.

I am sorry that my Republican colleagues have chosen to pursue none of them.

#### THE GOAL OF THE MEDICARE PRESERVATION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized during morning business for 5 minutes.

Mr. HOKE. Mr. Speaker, on April 3, 1995, the Medicare trustees, which include three members of the President's Cabinet, issued the following warning: "Medicare begins going bankrupt next year, and unless prompt and decisive action is taken, Medicare will be completely out of money by 2002."

There is no reason to doubt the accuracy of the report or its conclusion, and I urge every American to obtain an official summary of the report from their Congressman's or Congresswoman's office to judge for themselves. They can get that by calling 202-225-3121, that is, 202-225-3121. Ask for an official 14 page summary of the Medicare trustees' report.

This week, the House of Representatives will take a giant step forward toward putting Medicare back on sound fiscal footing and giving our seniors the same choices enjoyed by Federal employees, including Members of Congress and all citizens in the private sector when it passes the Medicare Preservation Act of 1995.

The goal of the Medicare Preservation Act is to preserve Medicare for current beneficiaries, protect future beneficiaries, and strengthen it through reforms that have been tested and proven in the private sector. The bottom line is that if Medicare is not reformed, either seniors will be forced to accept sharply curtailed medical services or working Americans will be forced to pay increased payroll taxes estimated by the Heritage Foundation to cost my constituents in northeastern Ohio an average of an additional \$1,200 per year.

Under the Medicare Preservation Act, total Medicare spending will increase, will increase, will increase, will increase 54 percent from \$161 billion in 1995 to \$274 billion in 2002.

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On an annual per beneficiary basis, average spending will increase, that was increase, from \$4,800 today to more than \$6,700 in 2002. Obviously not only is Medicare not being cut, but at an av-

erage increase of about 6.5 percent per year it will grow faster than the current 2.3 percent of private sector medical inflation and more than fast enough to accommodate all new entrants into the system. Only in the bizarre and convoluted world of Washington bookkeeping and partisan bickering can such an indisputable spending increase be called a cut.

The Medicare Preservation Act will give seniors the same four choices that all Federal employees, including Members of Congress, have. First, if they want to, seniors can stay with the current Medicare system exactly as it is today, and, if they choose another option and decide later they want to return to traditional Medicare, they can do that, too. No senior citizen will be forced to give up his or her current Medicare coverage, switch doctors, or be forced into a plan that they do not want.

Second, seniors can opt for managed care and join a health maintenance organization, or HMO, in which beneficiaries agree to receive their medical care from a defined pool of providers in exchange for lower out-of-pocket expenses and broader coverage, which might include prescription drugs, dental care, and eye wear. Many seniors, particularly those those private physicians are already associated with the HMO that they choose, will find this to be an attractive alternative.

Third, seniors can opt for a medical savings account plan which uses the beneficiary's Medicare stipend to fund both catastrophic health insurance plus an MSA, a medical savings account, out of which seniors would pay for routine medical needs. Seniors choosing this plan would have complete control over the money they spend on medical care, and any money left over in the medical savings account at the end of the year would belong to the senior, not to the insurance company nor to the Government. Seniors can join provider service networks similar to HMO's organized by doctors and hospitals themselves.

The Medicare Preservation Act will also aggressively attack waste, fraud, and abuse that has contributed so much to Medicare's rising costs. Incredibly, the Congressional Budget Office has estimated that as much as 20 percent of Medicare spending is fraudulent. The Medicare Preservation Act requires the Department of Health and Human Services to identify and eliminate these huge losses, including financially rewarding Medicare recipients who report abuses. It makes doctors and hospitals accountable for their actions, and imposes stiff new penalties on anyone caught defrauding Medicare.

Another important point is that the portion of Medicare part B costs paid by seniors through premiums, currently 31.5 percent, will not change. Over the past 7 years, part B premiums have nearly doubled, rising from \$24.80 in 1988 to \$46.10 today.

Mr. Speaker, that is the plan. It is innovative, responsible, and cost effective, and we are going to pass it on Thursday.

#### SAVING MEDICARE

The SPEAKER pro tempore (Mr. CLINGER). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, I would also like to use my time to talk about Medicare. As we know, the Republican leadership plans to bring up their cuts in Medicare and their program that in my opinion will destroy the Medicare system in the bill this Thursday, without really any significant debate that has occurred so far.

I think there are many aspects of this Republican Medicare plan that disturb me greatly, but the one thing I think that has not been stressed enough is how this is going to have such a negative impact on the quality of health care in the United States.

There was an article last Friday in the New York Times, an op-ed by Mr. Melvin Connor out of Atlanta. He says essentially what these changes in Medicare as well as Medicaid are going to do is to create a third-world atmosphere, essentially, for health care in the United States. He calls it "Medicare and the Third Worldization of America."

The reason he says this essentially is because when you take so much money out of the health care system, out of Medicare and out of Medicaid—and we are talking about \$450 billion—the inevitable result is that the system is squeezed so much that the quality of health care suffers.

Few people I think realize this. Many of us realize that our country has the best health care system in the world. It is not always evenly distributed. A lot of the poor people or the poor elderly oftentimes do not have the best quality care or access to that best quality care. But the bottom line is that the system as a whole works fairly well right now, and we do have the best quality care in the world.

But what this proposal does, what the Republican proposal does, is to basically cap the Medicare Program and limit Medicare spending to specific dollar amounts in the law. These caps—and not the choice that the Republicans talk about, which is not going to be there—these caps on Medicare spending essentially yield the enormous Medicare budget savings that the Republicans keep talking about.

But the problem is that the caps on spending bear no relationship whatsoever to the costs of health care. Instead, they were set up to produce the budget savings Republicans need to pay for their tax cut for the wealthy. When inflation and enrollment growth push Medicare costs beyond these arbitrary budget caps, Medicare and the elderly

and disabled citizens that are part of the program will be at serious risk.

Now, one of the previous speakers this morning talked about the trustees and said well, we have to do something to Medicare; otherwise it is going to go broke.

That simply is not true. If you look at the trustees report that comes out this year that estimates that the program has another 7 years, every year over the last 25 or 30 years the trustees have come out with a report. Sometimes they have predicted insolvency in 2 years, sometimes in 7, sometimes in 10.

The bottom line is that the trustees are not saying that this kind of a cut, that this magnitude of a cut in the Medicare Program, is what is necessary in order to keep Medicare solvent. In fact, in a letter that I previously quoted from Robert Rubin, the Secretary of the Treasury, dated September 21, to the Speaker, to Speaker GINGRICH, he simply said:

No Member of Congress should vote for \$270 billion in Medicare cuts believing that reductions 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.

In fact, the trustees have not said that. The trustees have said that something like \$90 billion in savings would do fine in order to keep the Medicare Program solvent well beyond the next 7 years.

What we are talking about here is an effort to basically squeeze all this money out of the Medicare Program and provide us essentially with a third world health care system just in order to achieve a tax cut for the wealthy. If anybody doubts that, I would suggest to them that they look at what came out of the House Committee on Commerce, which is the committee that I serve on in Congress. We tried in the Committee on Commerce when we were marking up the Medicare bill last week to make the point that if you really felt that these cuts were not being achieved in order to give a tax break for the wealthy, then why not take the Medicare Program out of this budget reconciliation bill that we are considering in Congress right now?

In other words, if the Republicans really believe that they are trying to save Medicare, rather than take this money that they are cutting and using it for a tax cut for the wealthy, then why do they need to deal with Medicare in the context of the budget? Why do they not give us some time, a couple weeks, a couple months, to look at the Medicare Program, to look at all its different aspects, and try to deal with it in a way that tries to come up with a better quality health care system, not a worse one?

The answer is very simple. They were not willing to do that. We actually submitted an amendment in the Committee on Commerce to take the bill out of the reconciliation, and it failed along a

partisan vote line because the Republicans are not serious. They want to use the money for the tax cut.

#### THE RAPID GROWTH IN TRAVEL AND TOURISM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Wisconsin [Mr. ROTH] is recognized during morning business for 5 minutes.

Mr. ROTH. Mr. Speaker, America needs a bold agenda for change, change not only in the way we do business, but in a new way at looking at the world. Consider for a moment that the single largest global revenue producer for individuals and governments, travel and tourism, has been almost totally ignored. Yet, like a sleeping giant, travel and tourism is awakening from its slumber, and everyone, particularly the politicians, will have to stand and take notice.

This year, travel and tourism is finally getting a little of the recognition it deserves, and justly so. Travel and tourism employs some 204 million worldwide, almost as many people as we have living in the United States minus California. That equals 10 percent of the global work force.

Tourism produces \$655 billion in tax revenue. More than 10 percent of all capital investment worldwide goes into travel and tourism. Maybe that is why travel and tourism is growing 23 percent faster than the world economy.

But the most revealing statistic, the one that should make all of us collectively hang a welcome sign on every port of entry into the United States, is that there is an increase of some 50 million travelers, an increase of some 50 million travelers worldwide in the next 5 years. This could mean tens of thousands of new jobs for American workers, but only if we in Congress have the foresight to take advantage of this remarkable opportunity.

Yet when it comes to travel and tourism, we in Congress have been more than willing to take a back seat to any other country in the world, any country, that is willing to put priority in job creation. We in Congress have been oblivious to the dynamics of travel and tourism, the tremendous force in this industry, the tremendous force it has on our economy. We are all too often engrossed in issues of the day and fail to take a look at the big picture.

That is why as chairman of the 297-member Travel and Tourism Caucus, the largest caucus in Congress, I ask all Members to focus on the juggernaut of this global economy.

Also, on a personal note for each Member, let me repeat a fact that you are all acquainted with. Travel and tourism is either the first, second, or third largest employer in your congressional district. These are the businesses, the working men and women in your district. Think of them when you think of travel and tourism. Virtually all over the world, and particularly in