

really what this is all about, only they do not understand it. The American people have seen that pitch before, and they are going to hang in there and clobber it. I hope the Cleveland Indians cannot clobber Randy Johnson tonight.

Mr. SANDERS. I would remind the gentleman a couple of years ago we did a poll in the State of Vermont. We asked Vermonters if, given a choice between raising taxes on upper-income people or cutting Medicare, what would they prefer. Overwhelmingly, people said if the choice is cutting Medicare or raising taxes on upper-income folks, we should raise taxes on upper-income folks.

What would be the poll results if we said should we lower taxes on the richest people in America and cut Medicare? I do not know of 5 percent of the population who thinks that is a good idea. That is why they want to move this thing through the House so very fast.

Mr. McDERMOTT. Absolutely. I thank the gentleman very much.

#### THE PROGRAM TO SAVE MEDICARE

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MILLER] is recognized for 60 minutes as the designee of the majority leader.

Mr. MILLER of Florida. Mr. Speaker, we are finally coming down to the time we are actually going to be able to vote on the Medicare Program. I am excited about the fact that we are finally going to have the chance to really vote and pass a good Medicare Program that saves the Medicare Program. That is something we are proud of over on this side of the aisle.

All we hear from the other side of the aisle, all we hear are fear and scare tactics. You know, the saying is Medicare or medicare. All we are hearing is, "Oh, my gosh, what are we going to do?"

Listen to the truth. We are saving Medicare. It is going to become a better program. You know, Medicare is a very, very important program. It is very important for me in my district in Florida. I have got more seniors than any congressional district in the United States. So I have large numbers of seniors. It is very important for jobs in my district. It is the largest employer in my district. My mother, my 86-year-old mother, is on Medicare, and my in-laws, whom I just lost recently, were on Medicare. It is very important to me personally. So we have to save Medicare. No one wants to get rid of Medicare.

The simple question is, and I do not understand what they are screaming about, Medicare should not be a partisan issue. Everybody on both sides of the aisle agree Medicare is going bankrupt. We do not disagree with that issue, and Medicare, we need to save it. We agree on that.

We have the plan. We have the only plan, actually. The Democrats are saying they want to save Medicare, too. So we are all in agreement on that. All we want to do is offer choices.

What is wrong with offering choices? The previous speakers said we do not want to have these choices; this is a bad choice, that is a bad choice. What is wrong with choices? As a Federal employee, I have choice. You have choice, I say to the gentleman from Arizona [Mr. HAYWORTH]. You have a choice when you choose next month. We are going to get a choice next month. As a Federal employee, we have the same plan as anybody in the Department of Agriculture and Commerce. We are going to get a list of choice, and we choose. Why should not seniors get a right to choose?

Mr. HAYWORTH. If the gentleman will yield, I think that is absolutely the key point to this debate, and we have to ask ourselves, realizing that good people can disagree, and indeed we come to this Chamber to discuss issues of vital importance, such as Medicare preservation and Medicare improvement; we have to simply give people choice. You know, I listened with great interest, Mr. Speaker, as our friends preceded us in this special order, and I noted with interest a couple of remarks from my good friend from Washington State, and just to put this in some perspective, in my former profession, where I talked a great deal about athletics, I think my friend from Washington State offered the improper analogy. He was claiming that the new majority was trying to throw a Randy Johnson-like fast ball past the American people. I would take issue with that. Instead I would say that our friends, who are really guardians of the status quo and the old order, the new minority, is trying to throw the American people a hanging curve ball, because let us make no mistake about it, my good friend from Washington State who preceded us here in the well, those who studied the health care debate of a year and a half to 2 years ago realize that our friend from Washington State was the proponent of a health care plan, a national health care plan that can be safely said was even to the left of President Clinton's plan.

It was as if my friend from Washington State wanted to transmogrify the United States into the Dominion of Canada to try to bring that type of health care to this country, cradle to grave, soup to nuts, State-sponsored triage that was, in my humble opinion, irresponsible, with a massive centralized bureaucracy and putting health care decisions in the hands of government.

What we are trying to do is to change that, to say that the time for scaring the American people is over. It is time to provide options. We have options in every other walk of life. Why should we change at age 65 and only have one plan in a one-size-fits-all scenario? That is the wrong route.

Let us provide more choices even as we restrain the rate of growth. We still have growth in expenditures.

But I was also struck by one diagnosis that my friend from Washington State, as a psychiatrist, I think, was very appropriate in offering. In the early days of this Congress, as things changed, he talked about the fact that the guardians of the old order were, to quote him now, "in a state of denial about the way things have changed here, and the new philosophies predominant on the Hill." I would simply add a footnote to that. Not only were members of the new minority in a state of denial, that denial has been followed by rage, and one of the lessons I have learned here, and I will be very candid with my friend from Florida, to my eternal regret, in the wake of the historic shift within this body, what we find so often now is that the debate has very little to do with policy and everything to do with power from the perspective of my friends in the new minority.

So jealous are they of the change in power that they will do anything, say anything, claim anything, to scare people about changes that need to take place, and so, again, I think that we ought to stretch out a hand and say good people can disagree, but let us suffer no illusions or delusions about what is going on here. We have a plan, a responsible plan to deal with the sobering realization that the trustees' report brought to the floor that Medicare, if we do nothing, goes bankrupt in the next 7 years.

Again, I hear our friends in the mass media, many of them almost acting as if in collusion with the new minority to claim it is to pay for some sort of tax cut. Nothing could be further from the truth. This is, as my friend from Florida knows, through the stewardship of the Committee on the Budget, the hard work of the gentleman from Ohio chairing that committee, we took care of making sure that all Americans could have more of their hard-earned money in their pocket, and this instead is in response to a bipartisan trustees' report that compels us to act now.

□ 1930

In fact, as I see here, the gentleman has brought something to the floor from a publication not typically sympathetic to conservative points of view.

Mr. MILLER of Florida. I just do not understand what the point they are making from the other side of the aisle is. They agree we are saving Medicare. They say we are having choices. What is wrong with choices? They cannot disagree with the fact we are not changing the deductibles, we are not changing the coinsurance. They cannot disagree with that.

The premiums are going to continue going up, but at a slower rate than they have been going up in the past. So they cannot disagree with that. We are going after waste, fraud, and abuse. What is wrong with going after waste,

fraud, and abuse? I do not understand what their point is.

The Washington Post, not known as a Republican paper, says the congressional Republicans have confounded the skeptics. Our plan is credible, gutsy, and it addresses the genuine problem that is only going to get worse.

Let us see what the Washington Post says about the Democrats. My friend from Arizona, look what they are saying about the Democrats.

Mr. HAYWORTH. This is something. To use the words you have up here for us, let me recite it for the folks on what the Post has to say about the Democrats' MediScare campaign. "Crummy stuff." "Demagoguery, big time." "Scare talk." "Expostulation." Finally, quoting again, "It is irresponsible."

The fact is, as my good friend from Florida knows, we have yet to really see a definitive plan. And this is part of the frustration that I am sure the gentleman encounters in his district. As the gentleman's experience warrants in Florida, so too is my experience in Arizona. Many seniors living in the Sixth Congressional District of Arizona are saying to me, "You know, you are right to try and fix this problem, and not wait on a commission or not take a Band-aid approach to say, 'Okay, there is a problem, but let us just try to solve it through the next election.'"

Believe me, from the old days of politics, the easiest thing to do would be to stick our heads in the sand or try a little change here in the hopes that we could paper over it through the next election. But I know that is not what the people in Arizona or Florida or Connecticut sent us here to do. We are here to make the changes needed, responsible, reasonable changes, to improve this system; thus the name, Medicare Plus.

This is one other note we really have to reinforce, despite all the scare talk: If people like conventional Medicare, as they have it now, they are free to keep it. You mentioned the experience of your mother. My granddad is 91. He does not want a lot of things to complicate his lifestyle. He may very well want to stay on the program that has served him, and that, too, will be his choice.

Mr. MILLER of Florida. Let us define the problem. I am sure everybody listening here this evening understands what happened. The fund is going broke. It is going bankrupt. There is no dispute of that issue. The trustees, most of them are members of the Cabinet of President Clinton, but this is not a partisan issue. We are doing it together. The fund is projected to be exhausted in 2001. That is not politics; it is the facts, folks. We have to do something about saving Medicare. It is a simple fact it is going to be totally bankrupt in 7 years.

We have a trust fund. The only money going into this trust fund is payroll taxes. Under the Medicare part

A, there is 2.9 percent payroll taxes that goes into a trust fund. The only money going out of that trust fund is to pay for Medicare part A. Next year, for the first time in the history of the Medicare Program, actually this year, which started October 1, more money will be going out than going in. For the first time in history we are going to spend more money out of that trust fund than money coming in in payroll taxes.

It is going broke. All the reserves, which are about \$129 billion, are going to be completely gone in the year 2002, and then we have a disaster. And the real problem hits in the year 2010, because in 2010, that is the baby-boomer year, 65 years after the close of World War II, and when the baby-boomers start retiring. Everything blows up. So if we just put it off, the decision about Medicare, if we just put it off, what happens is it gets worse and worse every year.

We cannot put our head in the sand to try to solve this problem. We need to remember that the spending on Medicare has been going up at over 10 percent a year, and the private sector health care costs are going up much less. All we need to do is slow the rate of growth in spending.

This always bothers me, when they say we are cutting Medicare. Our plan does not cut Medicare. We increase spending every year on Medicare. Over the next 7 years we are going to spend \$354 billion more than we spent on Medicare for the past 7 years. We are increasing spending by \$354 billion more during the next 7 years than we did for the past 7 years.

It is going up every year. We keep saying only in Washington do you call an increase in spending a cut. I just do not understand how you keep increasing spending and saying you are cutting spending. The facts are the facts. We are increasing spending \$354 billion over 7 years.

Mr. HAYWORTH. I just do not think we can state this enough. Now, I do not know by what mathematical gauge we are dealing here in Washington. I know George Orwell wrote of a "Newspeak," a different type of language that said ignorance is strength, war is peace, and things of that nature. I cannot help but see the same type of pattern here with what goes on in terms of Washington numbers.

Now, I know the gentleman has been well respected in the world of business. Would the gentleman just review the numbers here again on this chart and explain again very slowly, so the American people can understand, and especially those who reside inside this Beltway, can understand what in essence is going to transpire.

Mr. MILLER of Florida. I am a former statistics professor, I have a Ph.D. and taught statistics for many years. It does not take a Ph.D. in statistics to understand this. These are simple numbers. The way you get these numbers, in 1995, we are spending \$179

billion on Medicare, which is \$4,816 per person for every man and woman on Medicare. The total amount of money we are spending right now is \$4,816 per person on Medicare.

Now, in 7 years, we are going to spend \$6,734 per person on Medicare. That is an increase per person, whether we talk about a total amount of dollars or on a per person basis.

Mr. HAYWORTH. An increase of almost \$2,000, it appears.

Mr. MILLER of Florida. That is right, per person, almost \$2,000 more. It is MediScare, fear tactics.

Mr. HAYWORTH. I notice, without having the privilege of taking one of your statistics courses when I was at North Carolina State, but just to put it in real terminology, I offered this example before and I think it has some validity here, in real live terms. When my daughter asked for an increase in her allowance, I gave her \$5 a week until junior high. By the time she got to high school, we said, Honey, live a little. We doubled it to \$10. I do not know if it was fiscally responsible or not. She did not grouse and complain and say, Daddy, you did not take it to \$15. Therefore, you cut my allowance by \$5. She had a genuine increase. Her allowance was doubled.

I think the point the gentleman is making is this is not rocket science, but is, as in the mid-to-late fifties, what Dwight Eisenhower used to call the study of government and description of politics, "sophisticated nonsense." Lost among the sophisticated nonsense and fear tactics and rhetoric is this very simple message that is the foundation of what it is we are doing.

Again, I yield to my friend from Florida, because I do not think we can repeat this enough.

Mr. MILLER of Florida. One other chart that shows it is, let us look at it on a monthly basis over the next 7 years. This is what the Federal Government is spending per month for every person, beneficiary, on Medicare: In 1995, \$401 per month; 1996, \$423; \$440; \$460; \$481; up to \$561 per month per beneficiary on Medicare.

I just do not understand where you get a cut when you go from \$401 a month to \$561 a month. That is an increase in spending. In fact, when I explained it one time at a meeting back in my district in Sarasota, somebody got mad at me. Why are we increasing it so much? We can live within these numbers. They are live, and we can have a good program. I am proud of the program that we have on Medicare. It is an exciting program, giving more choices and options.

I am glad our colleague from Connecticut, Mr. SHAYS, is with us today.

Mr. SHAYS. Mr. Speaker, I just would like to weigh in on this. I was listening to both of you in my office and I felt compelled to join you, because this is something that we have been working on for years, particularly this last year.

We are going to spend \$675 billion of additional new dollars in the next 7

years as opposed to the last 7 years. We spent about \$926 billion between these last 7 years, and in the next 7 years we expect to spend about \$1.6 trillion. That is an extraordinary amount of new dollars. Those new dollars are going to be used to help beneficiaries.

What amazes me is that when I listen to the plan, described by some of my constituents, that was described candidly by Members on the other side of the aisle, I thought, I do not like that Medicare plan.

They described to me a plan that created new copayments and increased existing copayments. That is a not. They described a plan that created new deductions and new deductibles and increased the deductibles that exist. That is a not. The hospital deductible, the doctor deductible is going to stay the same. They described premiums where they were going to have to pay more, and the fact is they are going to pay 31.5 percent, which is exactly what they pay now, and it will stay that way. As health care rises that premium cost will go up, as it has during the last 7 years.

I thought, none of that is true. As I talk to my constituents, they say it is a not. I have been told it was. It is not true. The bottom line is no copayment, no deductible, no increase until premiums. But they say, but I have been told I cannot have my doctors. I am going to be forced out to get private care. That is a not as well. It is not going to happen.

Beneficiaries can stay in the same program they are in now. If they have a doctor for their heart, kidneys, or stomach, or any other ill they have, they can keep those doctors. No change whatsoever.

I am excited about this plan, because it allows people to stay in the existing plan, but it then allows them to get into private care plans if they want. They can even have a medical savings account and buy a large deductible if they want to do that. They have so many options. They can stay in fee for service.

So I look at what we are trying to do, which is slow the growth of this program to about 6.3 percent. I would just come back to the original point: In the 7th year we are going to spend 54-percent more than we spend today. That is a gigantic increase. In the 7th year, beneficiaries, per beneficiary, are going to get 40-percent more per beneficiary.

I look at the plan and say this is a job well done. I would defend this program anywhere. I would debate anyone on this issue. It simply is a plan we can be very proud of. I hope ultimately the American people are focused in on what this plan is and not a plan described by people on the other side of the aisle who simply want to prevent this from happening.

Mr. HAYWORTH. Mr. Speaker, I think you make such an outstanding point, that we have to remember that we are offering again, as our good friend from Florida pointed out at the

outset of this time together, we are offering choices. And the ultimate choice is if people like what they have, they can keep it.

Again, I am struck by the difference. It is interesting to see some Members of the fourth estate try to cover this debate and try to draw an analogy with the failed soup to nuts, cradle to grave, socialized plans that were offered 2 years ago and say that somehow there is a synergy between the two things.

Nothing could be further from the truth. Going back to our analogy of the hanging curve ball, how interesting it is that guardians of the old order and proponents of socialized medicine are now coming to this floor saying that we denied, or that we would deny people their choice of their own physician.

Nothing could be further from the truth. There is no synergy between these two episodes in history. We are offering something profoundly different, predicated on what is, I believe, the essence of being an American, the chance to take a look economically and personally at what is best for our future destiny and having an option to determine what is best.

It is so interesting to hear the descriptions, as if latitude in personal decisions is something to be feared or as if there is some sort of unseen compulsory action that will take place that will force people into certain programs.

Nothing could be further from the truth. We are enlarging choice for the American people and renewing freedom that heretofore has been denied for the past 30 years, despite the virtues of this program, when people magically hit the age of 65.

Mr. SHAYS. Mr. Speaker, one of the plans we are allowing, we are allowing doctors and hospitals to have their own program. In other words, they can now compete directly with the insurance industry; they can compete with HMO's, health maintenance organizations. They can participate in this process. I believe that they will be able to provide patients extraordinary care at significant reductions in price.

□ 1945

One of the things that happens is in this process of choice, they can stay in their fee-for-service. The only way they have to leave is they have to choose to leave. And the only way they will choose to leave is if they can get better health care in one of the private plans.

So, for instance, if a private plan wants to say that their premium will be less, they will get a rebate or, in fact, their deductible, which presently is on hospitals and doctors, would be reduced, they can get that. Some plans might entice individuals to participate because they will get drug care for the first time, or eyeglass care or dental care, which they might not get now. The only way that happens is if they can convince individuals they should leave their plan.

Now, if they leave their plan, under our proposal, we are allowing Medicare

patients every month to go back into their old system. There is a 2-year window where they can simply go back the next month. And then, in the third year, it would be every year. So we are saying if an individual really wants to test it, and they are not sure they will like it, they can go right back to what they have.

I have tremendous confidence a lot will choose to do the private care and they will stay there because they will find they will be better.

Mr. MILLER of Florida. I think those are very important points to remember. Two important points the gentleman has made. Traditional Medicare will be there. My 86-year-old mother is not going to change, and that is fine. I think she should have the right to stay in the system the way she is. She is not going to want to change. So everybody has the right to stay in the system.

The other important point is, during the first couple years of this, with 30 days notice, an individual can change back to the system. They can change every month if they want. What is wrong with that? Why would someone object to having the chance to choose, and if they do not like it, change again? It is their right to choose. Just like as a Federal employee we get to choose once a year. That makes sense. What is wrong with that? I don't understand what the scare tactics.

Mr. HAYWORTH. If the gentleman would continue to yield, I know we listened to our colleague from Vermont [Mr. SANDERS] bemoaning prescription costs. Again, the gentleman from Connecticut [Mr. SHAYS] has pointed out what may very well be one of the virtues of these many different plans, that there may be copayments and reduced fees for the very prescription drugs that my friend from Vermont was so concerned about.

This is really the essence of the debate we are having here. Again, good people can disagree. There are some who legitimately believe that it is the domain and the responsibility of the Federal Government to act not only as the charity of first recourse, but to be the principal architect and the principal provider of about every service here in the late 20th century. I think, fundamentally, the American people reject that notion, but the American people look for a plan that empowers the populace, that empowers the citizenry, and that can give them the very choice they need to make responsible decisions. Again, those decisions governed by their particular situations and their particular lifestyles. That is what is so important.

So the very thing that our friend seemed to fear, may, in the final analysis, be a phantom.

Mr. SHAYS. If the gentleman would yield, we basically have a plan that has no increase in the deductible, no increase in copayment, keeps the same premium cost, allows individuals to keep the present system they have, allows them to move into private care, if

they do not like the private care, they can come right back in.

Someone said, well, why not take the premium, which is 31.5 percent and have it go down? What they are saying is, on Medicare part B, which is what the premium pays for, all the health care services, we are saying the taxpayer is going to continue to pay 68.5 percent. If we allow the premium to go down, we are then saying the taxpayers are going to have to pay 70 percent and 80 percent and so on.

So we are saying taxpayers will stay at 68.5 percent for Medicare part B, and those who receive the care are going to stay at 31.5 percent. To me, that is a very honest and straightforward way. The taxpayers will have to pay more as health care costs go up, and the premium will also go up slightly as well, but we are keeping that bond and that protection.

While we are not always mentioning this, it is something that I think should be put on the table. We are trying very hard to make sure that there is not a transfer of wealth from families to senior citizens. We have to be straight with everyone here; that the Federal Government cannot continue to pick up more of the percentage, because, otherwise, we will make families poorer and poorer. And it is not easy for a family today with two children, that makes \$40,000, that now does not have the same deduction per child that my parents had. My parents had, in today's dollars, the equivalent, \$8,000, they could take for each child, and a family today has \$2500. My parents paid about 20 percent of their income in Federal, State and local taxes. A family today pays 30 to 40 percent.

We have to, when we talk about what we are doing for our elderly so we can protect Medicare, we also have to focus in on what we are trying to do for families.

Mr. HAYWORTH. If the gentleman would yield, I think he makes a very, very valid point. And, quite candidly, there have been those seniors that have come to me, and perhaps other Members in your respective districts have found this to be true as well, and they say, now, wait a minute, what about this whole notion of tax cuts? So many of those seniors I talk to I ask, and many of them were starting a family in 1948, maybe had a couple of kids. Back from the war, starting a career. And for an average family of four in 1948, 3 percent of that family's income went to the Federal Government in terms of taxation. Now, compare and contrast that with last year, when a typical family of four surrendered almost one quarter, 24 percent, of its income to the Federal Government.

As the gentleman from Connecticut [Mr. SHAYS] points out, with State and local taxes, with the hidden cost, the hidden taxes, if you will, of regulation, more and more people are surrendering 40, almost 50 percent of their income to the Federal Government.

So, again, what this new majority is trying to do, what we are trying to do in the Congress of the United States is empower people, not only the seniors but the families, to have more of their hard earned money. The people of the 6th district of Arizona last November sent a very simple message to Washington through my election, and that is this. We work hard for the money we earn. Let us hang on to more of it and send less of it to Washington. That is not born of a selfish impulse. Simply people realize that the place for charity does not come from the Federal Government being the charity of first resort.

And while there have been many innovative programs designed to empower people, we cannot empower people on one hand and yet enslave others with the same type of equation. There has to be opportunity across the board.

And I thank the gentleman from Connecticut for bringing up that very real challenge, whether it is income tax or payroll tax for part B Medicare in that trust fund. We have to understand that the work force today is called on more and more to pay taxes and they need to hang on to their money, and we have to find a way to get that done.

And that is why this plan, I believe, offers the best alternative yet devised to empower people and to work this problem through.

Mr. SHAYS. I wonder if the gentleman would yield again. I want to point out that we are a family in this place, in terms of our desire to take on some very tough issues. I have been here 8 years, and this is the first time we have had an honest dialog with our constituents about the need to deal with entitlements and control their growth. Slow the growth. Allow them to grow faster than any other part of the Government, but to slow the growth and to make some very necessary spending reductions in domestic spending.

We have been very honest to say that we have to get our financial house in order and balance the budget. That is our first task. Our second task is to save our trust funds, particularly Medicare, which the gentleman from Florida [Mr. MILLER] has focused so eloquently on. And our third task is to change the social corporate welfare state into an opportunity society.

We are going to do our best to save this American civilization and have a society where people can prosper.

Mr. MILLER of Florida. I am excited about the plan we will vote on on Thursday. It really is a great plan, and I am proud to be able to be part of the process of being able to introduce it on Thursday.

When we talk about the process, the gentleman mentioned talking to your constituents, and our friend from Arizona also. The thing that made our plan I think a successful plan is that we have been talking to the people that make the difference, that make the decisions that it impacts.

So often they want to have these hearings and we have all the policywonks, and maybe some from your State and my State, that come up here and say here is the theory. This is the way it should happen. I think that was the mistake in the plans last year. We have had over a thousand town hall meetings throughout the country listening to people. I am having another one this Saturday in Sarasota. I had one in a mobile home park in Ellington, FL, a week ago. I have them all the time, listening to the people and getting their input.

In addition, we have listened to the organizations that are on the front line. We have listened to the AARP, we have listened to the hospital groups and the physician groups. We have listened to the different groups that are on the front line and delivering care, and they believe what we are doing is the right direction.

There may be some differences. They may not wholeheartedly support this. They may not like something in it. The trial lawyers may not like us, of course. But the thing is we have listened to the people. That is the most important thing, the ones on the front line, rather than just the policywonks. The message basically is save Medicare and no Band-Aids. Let us fix it now and let us address the problem.

Mr. SHAYS. I wonder if the gentleman would continue to yield, so that I can point out and use real numbers. One of the points I want to make, and the gentleman from Florida, I think, represents an extraordinary number of senior citizens and your input, as in my work, as we have worked together on the Committee on the Budget on Medicare and Medicaid, has helped shape this plan, and that plan has been shaped by what we have been hearing.

My constituents have said, I have to keep my own doctor. Done. I have had other constituents say I want some choice. Done. I have had other constituents say I would like the opportunity for plans to give me eyeglass care or dental care. Done. Or prescription drug care. Done. I have had other constituents who have said I want the opportunity to have a medical savings account and to buy only catastrophic care. Done.

I mean we have been listening. That is not the way our plan started out. It has been shaped by the constituents we represent.

Now, I have had a number of constituents, I have had, candidly, I went to a funeral last night, where the member who passed away was a member of the Republican town committee. And I had one of my best supporters walk down the stairs and say, "Don't you dare. Don't you dare make any change in my Medicare plan." I said, "Tell me what are you concerned about." She said, "I am concerned you are cutting my medicare plan." I said, "Well. We are allowing it to grow at 6.3 percent." "No, I heard you were cutting. I heard this from the AARP." I said, "We are

slowing the growth." Then she said, "Well, AARP told me I cannot have my own doctors." I said, "Well, that is not accurate." I said, "Hold it." We just went through the entire plan. And she said, "If that is the plan, I support it."

My conviction is that there are a lot of people right now who are being told a lot of things. I have had some of my colleagues go to nursing homes saying nursing homes will be closed next year. I have had some of my colleagues having press conferences with doctors saying they will not be able to have their doctor anymore. None of that is true.

Now, what is my conviction in voting for this plan? We have worked on it for an extraordinarily long period of time. We have had the input of so many different people who have told us what they want in the plan, and that is what we are doing. I am absolutely convinced that next year, when people see this plan unfold, and, candidly, that is when I have to face the electorate. I would not want to be so stupid as to do a plan that is unfolded and then does not work. That does not make sense for our country and it certainly does not make sense for anyone that has to go back to the electorate.

I am proud to defend and promote this bill when we debate it on Thursday, and I will be proud to defend it and promote it during the course of all next year. And I predict that people next year will say "What a great plan, and thank you for making sure that I could keep my existing health care, and if I want, I can change it and get other kinds of health care that meet more of my personal needs."

Mr. MILLER of Florida. I agree with the gentleman completely. I think 5 years from today people will sit back and look at what we had in Medicare, the one-size-fits-all model, and people will say, "Why did we wait so long before we made the changes in Medicare; before we gave choices?"

We were criticized that, oh, we had one day of hearing. Wrong. We had hearing after hearing. We worked together in the Committee on the Budget. We had representatives from industry in and actuaries and different groups in at different committees. At least 38 hearings this year on Medicare. So we have had the official hearings, lots and lots of them. Plus, we have built on all the hearings we have had for years.

I was lucky to serve on the health care task force that the gentleman from Florida [Mr. MICA] had for the past couple of years and, really, we had a lot of hearings and worked very hard on the plan there. So we listened. And when people came with ideas, we would go and say, "Can we do this?"

I will tell my colleagues some ideas that senior groups advocated. Any plan that is offered under our Medicare choice program has to offer benefits at least as good as current Medicare. So any plan they choose, they are going to have at least the same benefits or better.

Mr. SHAYS. Let me get this straight. So if a private plan, when the private plan steps forward, they have to tell and make sure that their health care plan covers everything that Medicare presently does plus.

I do not know if the gentleman from Florida was the one who had thought of the name of Medicare plus, but it is such an apt description of what our health care plan does. It allows them to have their existing health care plan plus.

Mr. MILLER of Florida. Right. Because the current Medicare system is going to continue. For those that want to stay with it, fine. But why not give those choices? As long as any choice they choose has benefits as good as the current Medicare, what is wrong with that?

□ 2000

We are hearing people that have these other options for people that are low income. There are some choices out there that are going to be less money. It is going to cost them less and they get more benefits, if we just allow the marketplace to help bring the costs under control.

So, I am excited about the options, because we are going to give people the choice and they are going to say, "Great, why did we insist that it could not be changed?" It is exciting, what we are going to have, and I look forward to that.

Let me talk about the some of the choices we have. We always start off with the fact that the current Medicare stays. The plan, basically, is that every year beneficiaries are going to get some forms and they get to choose. If they want to change plans, fine. If they do nothing, they stay in current Medicare. If they want to change, they get assigned a form to change. But if they want to stay in the current plan, they stay in it. It is automatic. Nothing to do but just stay in the plan and it continues just the way it is. There are no changes.

But then we have these choices: Medical savings accounts, or the HMO-like organizations, or the provider service networks. I think these provider service networks are going to be exciting in local communities. When you think about it, most health care is local. Ninety-eight percent of the health care we receive is our local doctors, our local hospital, our local home health care agency.

Why not encourage the local doctors and the hospitals to go together and form their own program? As long as they meet the financial standards and they can buy reinsurance to provide those financial guarantees to make it sound, why not encourage those local hospitals and doctors to go together to form their group? They know their patients and communities best.

What is good in Florida may not be necessarily good in Connecticut or Spokane or Arizona. I have hospitals with 80 percent Medicare populations

because of my high senior population. They are going to be most interested in this.

I am very concerned about Medicare. We cannot let that program go bad. We cannot let it go bankrupt. It is job in our community and for the senior citizens in our community. My own mother. We have choices that are going to bring it under control.

We have had over a thousand town hall meetings and coming up with some great ideas. Our leadership and our committees have listened and put the ideas that our Members found in town hall meetings into the plan. One of the biggest things they talk about is waste, fraud, and abuse. We all agree that we need to get tough on waste, fraud, and abuse. This is where a lot of the money is.

We believe that the marketplace is one area that is going to help drive that out. When we have competition for the business and we have to satisfy those patients, if they do not like it, they leave and go some place else.

I have a restaurant. If customers do not like my restaurant, they can go down the street to the other restaurants. We have to keep people satisfied, and if the doctor is not doing a good job, the patients will go down the street. That is going to force it out.

They have to efficiently provide the service at the same time. We are going to give seniors an option to help us root out the waste, fraud, and abuse. It is hard for the bureaucracy in Washington to discover all the waste in the system. It is hard to discover it out here, but patients come up to me all the time and tell me about the problems.

One case was on network news. The lady was talking about being billed for an autopsy when she was in the hospital. That is a little bit extreme, but if they can locate the problems, let us give incentives to seniors to go out and find that waste, fraud, and abuse. So much of this is related to defensive medicine where the lawyers have driven up the cost. If we can do that, we can have benefits that are going to address that issue.

I am glad that my colleague, the gentleman from Florida [Mr. MICA] is here, because he has a large number of seniors in his district just north of Orlando.

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding. I cannot think of anyone in the Congress who probably represents more seniors than the gentleman from Florida [Mr. MILLER], and who has been more active in trying to bring some fiscal responsibility to this Nation and also to the Congress.

I am also pleased to join the gentleman from Connecticut [Mr. SHAYS]. I know many of the Members, particularly on this side of the aisle, and there is no one who has greater sense of compassion for the people of this country, their needs, and who cares more about human beings in our Nation. I have seen him work in this fashion and toward a compassionate solution to

many of the problems that confront us. I am extremely pleased to join both of my colleagues this evening to talk about Medicare reform.

I have really remained somewhat silent. I have held my town hall meetings and looked at what the Republican proposal was. Tonight, I am here to strongly endorse the House Medicare reform proposals.

I have looked at them. I have talked with our seniors. The nice thing about senior citizens is they were not born yesterday and they have seen a lot of water over the dam and heard a lot of rhetoric and they have been able to sort through some of the smoke and charges and rhetoric from the other side of the aisle.

It is unfortunate that some of these people have not come up with what is a new idea, or some new solutions, in more than three decades to some of the mounting problems of this country. I am here tonight to say that, in fact, I think the greatest threat to our senior citizens is the national deficit and we must do something about it.

I brought a couple of charts that I blew up. They are not very colorful, but one of them I wanted to show to our seniors and other Members tonight was the fact that our Federal budget in 1995 now is composed of \$153 billion in entitlements. That is some of the welfare programs; \$333 billion in Social Security, and that we hope will stay off budget and is not affected by anything that is proposed by our side of the aisle; Medicaid is another \$90 billion; and you see Medicare \$176 billion. Then you add in interest on the national debt and we are looking at somewhere around two-thirds to three-quarters of our entire expenditure for the Nation.

What this says is that we must do something to bring some of these costs into check. The two biggest Government programs are the health care programs, Medicare and Medicaid. And even a simple mathematics computation will tell us, and the President's own trustees, and I brought a copy of that, that basically, that the trust fund is projected to become exhausted.

What I said about simple math is we have been spending somewhere between 11 percent, 10.5 percent, and 13 percent per year. And simple math will tell us that in about 7½ years, if we continue at that rate, those huge expenditures will bankrupt the system and this chart again goes completely awry and we cannot bring the finances of this country into order.

Now, what is even of concern not only to seniors, but what should be of concern to working men and women, is the country's population and its worker base actually starts to decrease. The ratio of active workers to Medicare beneficiaries in 1995, as you can see, is way up here on this chart: 3.3. And if you look at the year 2035, it is down to 2.0.

So, what is going to happen is people who are now concerned about what is being taken out for Social Security and

other taxes and Medicare, there will be a smaller pool to draw from. They will be able to take home very little and we will be taxing them to an unheard of degree. We will not be able to support the system.

So, we did not create the mess. We may have been here while the mess was created, but, in fact, the other side has had control of both the House and the other body here. We see the same thing, whether it is the District of Columbia, it is Amtrak, whether it is Medicaid, whether it is the pension funds that I oversee for the Federal Government on the House side as chair of the House Civil Service Subcommittee. All of these programs are basically bankrupt. We have robbed from the cookie jars and now we have to face reality.

But I think that the plan that we have come up with, you have heard my colleagues, Mr. MILLER and Mr. SHAYS, outline some of the things that we have done. We addressed the real problems here.

Everyone knows, every senior who has attended any town hall meeting that I have held has come forward and said, Mr. MICA, look at the waste, fraud, and abuse. Look how much I was charged for this 15 minute service. And they hold up a bill. Look how much this item cost, this overbilling.

The Miami Herald in Florida did an article on Medicaid fraud and they estimated a \$1 billion fraud and abuse of the system in just the State of Florida.

Mr. SHAYS. The gentleman said 1 billion?

Mr. MICA. Yes, \$1 billion in waste, fraud, and abuse. And that is the cornerstone of the Republican plan, is to tackle some of that. Every senior has seen it when they have sat in an office and seen how the system is abused. When they have seen the billing, they see the net results.

We had one individual come to a town hall meeting and talk about what he was forced to pay for a wheelchair. He could have purchased probably four or five wheelchairs for what the system required him, or the system and the taxpayers to pay for under this ridiculous system. So waste, fraud, and abuse are an important cornerstone.

Medicaid is the same thing and we will not get into that tonight. but I sit on the subcommittee and we oversaw Medicaid with the gentleman from New York [Mr. TOWNS], and Medicaid in Florida is somewhere in the neighborhood of \$1 billion in waste just by estimates of the General Accounting Office report that our subcommittee received last year. So, the cornerstone is doing something about waste, fraud, and abuse.

Then, the second point is tort reform, and we know we have to face tort reform. We sent to the other body litigation and legal and tort reform that is so necessary, whether it involves medical expenses. And we see that again. Someone said a doctor charged so much for an office visit. And I checked

with the doctor to see what his liability was. His premium is \$50,000 a year. That is a thousand dollars a week. If you do 100 visits, that is tacked on at the front end of every visit.

We have to do something to bring some of the need for reform into place here as far as tort and liability reform. A second major point.

And then again my colleagues have described the opportunity for choices. No one is forced out of Medicare. No one is forced into any plans under what we are proposing. Beneficiaries are given choices. What is wrong with choices? And choices that we offer will create competition. We think we will drive prices down. We are not positive it will work, but we think from the models that we have seen, from pure logic, that competition and also having various plans such as we have in the Federal Health Benefits Program that I oversee, also as chair as the House Civil Service Subcommittee, people will have the opportunity to choose from a variety of plans which will begin to be self-policing.

And we have seen that. They bring down costs. They offer more options for folks. Things like medical savings accounts, which makes so much sense. What is wrong with providing an alternative to bankruptcy?

It is all done, too, on the House side we say no change in copayments. No change in deductible and the premiums remain the same. Seniors can stay in Medicare. We can reform Medicare and also offer choices, and I think that makes sense. The most important thing is it helps bring the finances of the country and the system into some balance and we will not bankrupt the system or the country.

Mr. SHAYS. When the gentleman said not positive it will work, I am absolutely as positive as I can be that this system will work extraordinarily well. The issue is will the savings be 270? 260? 280? How many people will choose private care? Will it be 24 percent that the Congressional Budget Office says? My judgment, based on all the people that we have interviewed, says that well more than 50 percent by the seventh year will have chosen private care. They are going to choose it because they get better opportunities.

The certainty is no one can predict exactly what it will be in the seventh year. Is it 45 percent who are in private care? 60 percent? 70 percent? That is the uncertainty. To what extent will that happen? But the one thing we are certain of, we are certain that we will provide \$4,800, as we do not, per beneficiary. We are certain that we will provide \$6,700 in the seventh year. That is a 40 percent increase per beneficiary.

There is over \$600 billion into the plan. Doctors will get more; hospitals will get more; all the people who provide quality service will get more, not less.

□ 2015

There is not anything like an increase in the number of hospitals and

doctors of 40 percent. So those who are in the system now that are being told that somehow they are going to have to make extraordinary sacrifices, it is just not accurate.

Mr. MICA. Well, again, Mr. Speaker, nothing is certain. We are trying to do our best. We all have relatives. I have aunts who are on Medicare and trying to make it from week to week and month to month. We are concerned about these people. But our number one concern should be that we do not bankrupt the country. And simple math will show you that this whole structure we have created, this huge government program is going to collapse. Even the President's commission says that.

So we are willing to work with the other side. We are willing to work with the administration. We are willing to work with people who have ideas. We have held hundreds of hearings on this and Members have held literally thousands of town hall meetings trying to bring together the best ideas into a plan that makes sense.

The last thing we would want to do is hurt any senior citizen, someone in need or someone who needs that care. We think we can do a better job, and it is not necessarily throwing more money at the problem. That seems to be the only solution around here.

Do we do a better job, as proposed by some folks on the other side of the aisle or the administration, just by ignoring the problem or letting the waste continue? Well, we will let the waste go to 89 billion or let the waste go to 100 billion. This does not make sense. We need to make the system work and it should operate and function in a responsive, accountable fashion and give the people the choices that others have. Why confine them to one failed choice?

Mr. MILLER of Florida. You are chairman of the committee that is involved in Federal employee health insurance. We looked at that. That is basically what we are going to offer senior citizens, a separate system that gives a choice just like all Federal employees have a choice.

The Medicare program is a very complex system. If you are under Medicare you have to have three different insurance plans. You have a Medicare part A with one insurance company handling that. You have Medicare part B, which costs \$46.10 that another insurance company handles, and then you have a Medigap policy. That is a complicated system. That is part of the inefficiencies of Medicare. And as a Federal employee, we only have one insurance plan. Anybody in the private sector has one insurance plan. That simplifies it. It is going to be so much simpler. The benefits are going to be better, and we are going to slow the rate of growth. I do not see where the argument is, why anyone could disagree. We have more money every year.

Mr. SHAYS. I would love to just emphasize that point. I had more con-

stituents who said, I want the same kind of choices you have, Mr. Congressman, hopefully they call me CHRIS, but the bottom line is, they are saying as a Federal employee I get to choose a wide range of programs. I have to pay 28 percent of health care costs. But I can choose any kind of program. I can choose one that is more expensive, less expensive and so on. I just want to emphasize, the gentleman from Florida is right on target. We are doing what our constituents have asked: Give us the same kind of choices you have.

Mr. MILLER of Florida. I am excited about the plan. I think we have been debating health care for almost 3 years. Now we are going to be able to do it. We are going to make the changes. We are going to give a better system to the seniors of our country. We are going to preserve a program that is so essential that we have to have it, and it is going to be there and it is going to be a much better plan. I do not understand what all this scare rhetoric is. It is politics. People do not want politics on this issue. It is too important for politics. I am getting tired of the scare tactics that keep coming in from the other side.

Mr. HAYWORTH. I guess it is just a situation where Halloween came a little bit early and lasted for the better part of 3 months. The chances now for us to expand choices, to offer real reform rather than a Band-Aid approach for the American people and preserve this program so that we can take the steps necessary in later years, indeed to preserve it for future generations, it is summed up in the name Medicare Plus. And as both my colleagues from Florida, Mr. Speaker, have indicated, it offers choice. And as my good friend from Connecticut so articulately phrased it, what is wrong with having that type of choice. We will leave it to the American people who duly elected us to debate this issue and make the necessary changes to preserve, protect, and improve Medicare.

Mr. SHAYS. I would just like to say, if I could, I compliment the President on one issue. He said to the American people, we need to deal with health care. It was a big wake-up call for a lot of Members of Congress. And what the President did is set in motion a number of us, if not all of us, giving this our number one priority and studying this issue tremendously. And so for that, it has been extraordinarily helpful because this is not something we just started working on.

You started and others and my colleagues started well before the President asked, but the general bottom line is that we have been working on this health care issue for over 3 years now and we think we have come to a plan that the American people really will find is what they want.

Mr. MICA. In closing, I just want to say again that I do not think there is any greater threat to senior citizens or all Americans, if this Congress does not act responsibly on the fiscal problems.

And they are not just Medicare, it is a big item, but it is also providing jobs and opportunity for this and future generations. And some of that does involve changing our tax policy. So we are going to have to do all of this. I think if we work together we can do a better job and we do not have to scare anyone in the process. But I think all of us working together we can improve what we have.

Mr. MILLER of Florida. Mr. Speaker, just in closing, for the seniors of this country, we have a good program. You are going to be excited by this program when it comes out next year. It is going to save a system that is essential to keep up.

Do not get scared by the rhetoric out there. It is going to be a good program. You are going to be very pleased with it. It is going to continue to exist and that is what we are here for. We are going to preserve and protect Medicare.

#### STATE OF EMERGENCY

The SPEAKER pro tempore (Mr. GUTKNECHT). Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, the state of emergency continues. You have just heard some of the brightest and most decent human beings in the Congress make a long statement about Medicare and health care funding, and neither one of them admitted that Medicaid will cease to be an entitlement under their bill. Millions of Americans who are now covered right now by Medicaid will no longer be covered as a result of the legislation that they want to pass.

They have not admitted that we are the only industrialized nation, we are the only industrialized nation other than South Africa that does not have universal health care coverage of some kind, are not moving in that direction. We were moving in that direction with Medicaid coverage for the poor, but they are going to take away the Medicaid entitlement. They say that we are going to be happy when we see the package. Americans will be happy when they see that less people are covered as a result of this legislation than were covered before. We are going backward and we should be happy.

There is a state of emergency that ought to be recognized here. Nearly half a million dedicated troops were here in Washington yesterday. Unfortunately, they had no commanders to tell them about the state of emergency. Unfortunately, no one told them to concentrate on the place where the real battles are being fought. They do not understand were the real battles are taking place. They do not understand that the state of emergency directly impacts on their lives.

They came, they are engaged, and I hope they will remain so. I want to discuss tonight how they must be energized and informed and directed to become a part of defending themselves