

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. BUNN of Oregon). The gentleman from New Jersey [Mr. PALLONE] controls the time.

Mr. DEUTSCH. Mr. Speaker, if we can focus in on this chart, the facts are that in the 30 years of the Medicare system, for 12 of those 30 years there was less of an actuarial life than there is today; less than 7 years, 12 of the 30 years. This is not a crisis that all of a sudden erupted. That is the nature of insurance programs.

Contrary to what my colleagues have said, we took some tough votes in my first year in the Congress. We took a tough vote to change some of the actuarial problems in the system. We can do that again. But we are choosing not to. This program that is going to pass this House tomorrow has nothing to do with saving Medicare. It is a flat-out lie. The \$270 billion number is a flat-out lie. That has nothing to do with the trustee report.

Mr. HOKE. Mr. Speaker, will the gentleman yield?

Mr. DEUTSCH. Mr. Speaker, no, I will not yield.

What the Republican plan is doing is creating a false choice for Medicare beneficiaries throughout this country. What they are doing essentially is a false choice because, if the Medicare reimbursement, traditional Medicare, becomes so low and balanced billing is eliminated, which it will be, which will allow physicians to charge whatever they want, where today they cannot and protect senior citizens, over 30 million Americans, when that changes, seniors will be forced into HMO's, not by choice. It will be a false choice. They will be forced into HMO's.

Let me just conclude that seniors in this country believe that Republicans want to save Medicare probably as much as the Jewish community in this country believes that Farrakhan should be the head of the Jewish Federation. It is just not a reality. I think this chart and the outright distortions that have been made on this floor this evening and will be made tomorrow, the numbers speak for themselves.

I thank the gentleman for yielding time.

Mr. PALLONE. Mr. Speaker, let me point out that one of the major trustees, Secretary of Treasury Rubin, when he sent a letter to the gentleman from Missouri [Mr. GEPHARDT] on September 21, 1995, he said in the letter, simply said, "No Member of Congress should vote for the \$270 billion of 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."

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Basically what is happening here, and I will say it again, is that this level of cuts, \$270 billion, is needed to

pay for the \$245 billion tax cut for the wealthy that the Republicans are going to propose next week. Our offices and my office has been flooded with calls and letters from senior citizens protesting these cuts. I know one of the previous speakers said that seniors should not be scared. They should be scared because this is going to devastate the Medicare Program, and if I could just point out, I mean I have been getting hundreds, if not thousands, of letters. Here are just some of them from my constituents complaining and concerned about these Medicare cuts the Republicans are proposing.

Mr. Speaker, I do not have a lot of time, but I just want to point out one thing that I think is really important here tonight and for tomorrow when we take the vote on this bill. These cuts in the Medicare Program, what they are going to do is squeeze Medicare so much that we will no longer be able to provide quality health care in this country for senior citizens, and the squeeze, the loss of money in the Medicare Program, is going to hurt the health care system across the board in New Jersey. We will see hospitals close. We will see services cut from hospitals and other providers because there is going to be so little money available to the Medicare system.

The reason I mention that is because today in the State legislature in the State of New Jersey in Trenton a number of the Democratic legislators took to the floor and pointed out that because of all the cuts that the Republicans are making in Medicare what is going to happen in New Jersey and probably in a lot of other States in this country is that States are going to have to raise taxes to make up for the loss in Medicare funds that we are imposing here, and that is simply not fair. It is simply not fair to the citizens of New Jersey and to a lot of other people around this country when we see this Medicare Program deteriorate and States having to make up for the funding loss.

MEDICARE

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

Mr. HASTINGS of Florida. Mr. Speaker, as the Republicans in Congress move toward their goal of reducing the Federal deficit at any cost, they are about to approve deep, unprecedented cuts in the financing and delivery of health care to our Nation's elderly and poor. These cuts will be far deeper, and have far greater consequences than the proposed cuts in almost any other part of the budget, totaling \$270 billion over 7 years while financing a tax break for the wealthy.

Since 1965, the Federal Government has provided a minimum standard of health care for all eligible citizens through the Medicare Program. Republicans in both the House and Senate want to end this national commitment

by terminating the individual Federal entitlement to Medicare coverage. In my State of Florida, 2.6-million-plus older Americans will find that their health security is threatened by the GOP proposal. In fact, over the next 7 years, Florida stands to lose \$28 billion from Medicare.

Mr. Speaker, I represent seven counties which cover central and south Florida. I am concerned that these draconian cuts will overwhelm my district, and the Nation. In Dade County alone, \$4.8 billion in Medicare funding would be lost over a 7-year period. What does this meaning for recipients? It means that each of Dade's 285,900 beneficiaries who want to stay with the current fee-for-service Medicare Program would face an average of \$5,575 in additional out-of-pocket costs over 7 years. For a couple, that figure rises to \$11,150 over the same 7-year period. Obviously seven is not a lucky number for Floridians. In fact, I don't think there are any lucky numbers in this debate except, of course, the \$245 billion tax cut for the wealthy.

You see, Mr. Speaker, regardless of their income or health, senior citizens who depend on Medicare will see their out-of-pocket-costs increase. This is pure egalitarianism. And in health care, there really is no such thing. No two people have exactly the same needs or need exactly the same care. The GOP proposal does not take into consideration particular merits, efficiencies, or needs of the recipients. Each senior will receive an equal share—each of which is underfunded. The majority in Congress wants to give our seniors a voucher and let them shop around. But how appealing is a market of lower reimbursement fees, higher premiums, and reduced benefits?

Perhaps we, as a nation, should be looking at needs of people instead of numbers of dollars. The bottom line should not only apply to reductions, it should also reflect the effectiveness and efficacy of our seniors' needs. Mr. Speaker, Congress should eschew expensive and frequently ineffective efforts to rescue Medicare. But I'm not at all sure that turning Medicare over to the private insurance industry is the answer. Contrary to the majority's belief, in the private sector, all that glitters is not gold. And frankly, if this proposal is implemented, I'm afraid of how quickly our golden years will turn black.

Republican cuts in Medicaid are equally disheartening. The formula used to develop the Republican plan is soaked in demographic denial—it ignores Florida's status as a growth State. Under the Republican proposal, the annual Medicaid growth rate would be capped at a percentage far below what the State would need to take care of its underserved and unserved population. The consequences of block granting Medicaid are bleak, with the combined effects being forced hospital closings and uninsured Floridians. Even worse, the determining formula is based on outdated figures which penalize growth States. Thus, in Florida, the total number of individuals on Medicaid will grow by 10 to 12 percent a year. However, the Republican proposal will only allow Medicaid to grow at a rate 6 percent—about half the current 10 percent growth rate. Governor Chiles understands that cuts of this magnitude would harm Florida and agrees that

block granting Medicaid under this formula is a terrible idea.

I strongly support efforts to improve efficiency, provide greater program flexibility and cost containment in Medicare and Medicaid proposals. However, a reasoned path toward these reforms is necessary and the Republican proposal to cut Medicare and Medicaid in order to cut taxes for affluent Americans is seriously flawed. So-called reform of this magnitude merits caution, careful debate, and deliberation. Let's not misdiagnose the financing and delivery of health care services to our Nation's elderly, disabled, and poor. The current proposal to block grant Medicaid and cap Medicare reimbursement will devastate millions of vulnerable Americans who look to the Federal Government to honor its long time commitment to public safety, security, and well-being.

WE ARE GOING TO FIX MEDICARE TOMORROW

The SPEAKER pro tempore (Mr. BUNN of Georgia). Under a previous order of the House, the gentleman from Michigan [Mr. CHRYSLER] is recognized for 5 minutes.

Mr. CHRYSLER. Mr. Speaker, the trustees' report clearly does say, and you can read it in it, that there is \$140 billion that is needed for part A and \$140 billion that is needed for part B. That is \$280 billion. Those are the trustee numbers.

Now to come up with an irresponsible number of \$90 billion, which has been done for the last nine times in order to save Medicare, is in fact just enough to save Medicare for the next election, which has been what has been going on for the last nine times and usually raising taxes to save it for those last nine times, and so Members ask why are we doing this so fast? Well, the trustees' report also says that we are going to start spending \$1 billion more than what we take in next year. That means starting October 1 of, in fact, this year.

And they also say we have only had one hearing on this. Now I know of 38 hearings that we have had in the House, 18 of them in the Committee on Ways and Means. I have testified personally at three of those hearings, and in fact I remember there were at least two of those hearings out on the lawn by the people from the other side of the aisle.

One billion dollars more than what we take in next year and totally bankrupt by the year 2002. That is why we need to save, and protect, and preserve Medicare, and it is absolutely irresponsible not to put forward a plan to do that, and only in Washington, DC, will they call a \$1,900 increase a 40-percent increase, going from \$4,800 to \$6,700, clearly that is an increase, only in Washington, DC will they call that a cut.

Now my dad used to say to me that liars have short legs, which simply means you cannot outrun the truth, and the truth will prevail.

Now you can keep your Medicare System under the better Medicare System just exactly as it is with no increase in co-pays, no increase in deductibles, and no increase in premiums. But let me tell you what the Medicare System is. It is a 1964 Blue Cross plan that has been codified into law, and senior citizens deserve better. Certainly they deserve better than the 30-year-old health program. They deserve choice, choices like managed-care-type systems, choices such as point-of-service, choices such as medical savings accounts, which is a free-market solution to the health care program in this country and puts the consumer back in the loop, which is what has been missing all of these years from health care. It has been too long that insurance companies and doctors and hospitals have been telling us what is reasonable and customary for health care, and it is time that we had the consumer back in this health care process, this health care equation.

Someone said that the seniors had choice when they have the Medicare System. Well, certainly they can still have their Medicare System, but more and more doctors are opting out of that Medicare System as it has been created in the past. What kind of a choice is that?

We also do need to do something with the waste, fraud, and abuse. Forty-four billion dollars of waste, fraud, and abuse, and this better Medicare System in fact addresses that issue.

We also appoint a commission to study the long-term solutions for the Medicare System when the baby-boomers come into this system beyond the next 7 years.

And now there has also been a lot said about tax cuts. First thing we have to understand, that we are talking about the people's money, not the Government's money, and what we are saying is that, if you have two children, that is a thousand dollars that we want you to keep, hold onto it, keep it in your pocket, do not send it to Washington. This is not money we have in Washington that we are going to send back to someone because, if you keep it, you will always make a better decision how to spend it, a much better decision than government, and also 77 percent of the tax cuts that we are talking about are for people that earn less than \$75,000 a year, and it would not matter whether we had a balanced budget or not, we would still have to fix Medicare, and that is what we are going to do tomorrow when we vote to pass the better Medicare System.

MEDICARE REFORM LEGISLATION BENEFITING INSURANCE COMPANIES, NOT OUR SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, tonight I rise to amplify the voices of my con-

stituents in two ways. First of all, I am delivering 10,783 petitions gathered by community leaders in my district in opposition to the Republican Medicare legislation. These petitions say yes to Medicare and no to the \$270 billion Republican cut in the Medicare Program in order to pay for tax cuts for corporations and the wealthiest of Americans.

In addition to that, Mr. Speaker, I have a letter from one of my constituents who is a physician who very eloquently and clearly presents the case for many physicians who oppose the actions of the AMA.

I have had serious objections to the substance of the Republican proposal and the process. By blanking out statements from my constituents and giving access to the AMA I think a disservice was paid to the Americans who depend on Medicare. I was particularly appalled by the waltzing in of the AMA and the golden handshake they received as opposed to the handcuffs the senior citizens received when they tried to make their concerns known.

My constituents, Dr. Levine, says as follows, and in the interests of time, Mr. Speaker, I will place this entire letter in the RECORD.

The letter referred to is as follows:

SEPTEMBER 27, 1995.

FAX memo to: Congressperson NANCY PELOSI.

Re Medicare "reform" legislation.

DEAR CONGRESSPERSON PELOSI. I am extremely concerned as the current Republican-initiated Medicare reform package goes through Congress, and I wanted to send you this letter in order to give you my perspective on the proposed legislation as a practicing physician in your district.

I have received literature recently from the AMA urging my support of the package, because they believe it to be "doctor friendly." Certainly, certain portions of the proposed legislation, such as long-overdue anti-trust reforms, etc., appear to be doctor-friendly. But I believe that these colleagues of mine in organized medicine are fundamentally in error. Their error derives from the relative lack of many officials in organized Medicine with actual experience with for-profit managed care. If these colleagues of mine were sufficiently so experienced, they would see the Republican proposals for what they really are—a scheme for forcing virtually all Medicare recipients into managed care.

I am not saying that managed care in principle is bad: I would be the first to agree that many of its goals in principle are wonderful. But let me share with you the reality of managed care in actual practice. First, insurance companies in California have been making a transition to for-profit managed care plans. This is because the profits they derive from these products are enormous. Basically, what managed care boils down to in practice is that the insurance company evades the basic job of an insurance company, which is assuming risk. Rather, in managed care, the insurance company simply skims off a healthy percentage of the premium dollar up front, and shifts all the financial risk of providing health care to the physicians and hospitals with which they contract. The insurance company has no downside financial risk, and in California organizations such as "Wellpoint," into which