

For the first time in the history of the Congress, we have had crime of health care fraud as an offense of the Federal Government, a 10-year maximum jail sentence. The provisions of the bill would in fact define the crime of illegal remuneration with respect to health care benefit programs. It would define the crime of willful obstruction of criminal investigations of health care offenses and would, for the first time, make sure that we get a coordinated effort of the Federal Government in stopping the fraud, abuse and waste.

If we can attack that particular problem, we will find that Medicare will be strong, it will be solvent, and it will be here for generations to come.

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

[Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

COMMONSENSE MEDICARE REFORM

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

Mr. STUPAK. Mr. Speaker, what I would like to do, I am on the Committee on Commerce and will be on the floor most of the day tomorrow arguing Medicare. I can go on all night about the inequities in the Republican plan, but what I would like to do tonight is submit my statement for the RECORD, and yield the balance of my time to the gentlewoman from Florida [Mrs. THURMAN].

Mr. Speaker, I include my statement for the RECORD as follows:

Mr. Speaker, a week ago, I introduced the Common Sense Medicare Reform. The new majority in Congress claims that it is necessary to cut \$270 billion in order to save the Medicare Program. This is simply ludicrous. The Medicare trustees say that the Federal Government must devote \$89 billion—not \$270 billion. What's really going on here is the majority is attempting to steal \$270 billion from the Medicare trust fund in order to keep its campaign promise by giving a \$245 billion tax cut to the wealthiest 1 percent of Americans.

Actually, the Medicare trustees say that the Federal Government must devote \$89 billion—not \$270 billion—to save Medicare from bankruptcy. There must be changes and adjustments to Medicare, but it's irresponsible to gut a program which 37 million senior citizens depend on for health care coverage. My legislation takes the best ideas from the Republican proposal and the Democratic plan to improve the Medicare Program in a bipartisan manner.

The first thing we must do to save Medicare is to aggressively fight waste, fraud, and abuse in the Medicare Program. Ten cents of every dollar spent on Medicare is consumed by fraud and waste. Some health care providers charge the Medicare Program many times more than what these goods and services would cost on the open market. For example,

Medicare rents, you can't buy it, but rent pressure reducing mattresses for approximately \$650.00 per month and comparable alternate pressure reducing mattresses can be purchased for \$168.95. Foam rubber egg shell mattresses can be purchased for \$19.95, yet Medicare pays \$29.95. The Medicare Program pays \$280 for oxygen concentrate, while the Veterans Administration, another Federal agency, pays only \$123 for the exact same product. Savings from the oxygen concentrate alone could save us \$4.2 billion over 5 years. These three examples alone demonstrate how billions of dollars are robbed from the Medicare trust fund.

We can find the money we need to save Medicare. In 1994, more than \$8 billion was recovered in fraud and waste by Medicare providers, and it is expected that \$10 billion will be recovered in 1995. We can save \$93.5 billion over the next 7 years by actively detecting and prosecuting waste, fraud, and abuse, and this amount is more than enough to save Medicare according to the trustees' report.

The Republican Medicare bill proposes to legalize fraud committed by health care providers by making it more difficult to prove fraud and to recover Medicare funds. Conversely, my bill provides more and better tools to fight Medicare fraud by increasing the powers available to law enforcement. It will strengthen civil penalties for kickbacks, provide grand jury investigations, and increase subpoena authority. Both the OIG and the Justice Department endorse the fraud-fighting tools that are contained in my bill.

Currently, any money saved from Medicare is returned to the U.S. Treasury. My legislation requires that any funds recovered through cuts or savings be automatically returned to the Medicare trust fund. Your Medicare money should not go to the U.S. Treasury to pay for tax cuts for the wealthiest Americans and large corporations—it should be used to save Medicare.

I firmly believe that before we gut Medicare and implement radical and untried managed care programs, we should test the feasibility of these new programs on a voluntary basis. I propose that we look at managed care programs and health care service networks on a 5-year trial basis. We must make sure that such pilot programs will save money, provide quality care, and prolong the life of Medicare while giving seniors greater health care benefits and choices. Programs such as provider sponsor organizations [PSO's] and provider sponsor networks [PSN's] may be particularly useful and effective in rural areas. In northern Michigan, we are on the cutting edge of providing maximum benefit for our health dollar through cooperative efforts. I won't gamble with your health care. Let's make sure that the proposed changes improve Medicare, rather than destroy it.

My legislation also directs that a Baby Boomer Commission be appointed to study alternatives for the best way to address the large influx of recipients who will be eligible for Medicare beginning in the year 2010. The Commission

will work with Medicare trustees to ensure there will be funds available to provide health care coverage for the baby boomer population. In addition, the Commission will hold public hearings all across the country so you will have input on any proposed Medicare changes.

Lastly, I advocate the use of a single-page Medicare claim form to increase administrative efficiency. We can simplify the Medicare system for beneficiaries and providers, while saving money from increased efficiency and cutting down on fraud.

People should not have to pay more money to receive less coverage and lose their choice of doctors. The Republican majority should not raid the Medicare trust fund to give tax cuts to the wealthiest Americans and multinational corporations. Instead of stealing money from the Medicare System, we need to put money back into the system to keep it solvent for current and future recipients. Let's not gamble with the health of our senior citizens.

You can see why the Republican majority refuses to make my bill in order because it is common sense.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from Michigan for yielding.

Mr. Speaker, I want to do this from a different standpoint of looking at what I think is going to happen to Florida residents. First of all, I want Florida residents to understand that they are looking at the \$38 billion cut between Medicaid and Medicare, and this is to pay for a tax cut for the very wealthy.

Mr. Speaker, Florida stands to lose more than \$38 billion in Federal funds under the Republican plan to cut Medicare and Medicaid to finance a tax cut for the wealthy.

Now, I would like to introduce you to a wonderful couple from my district who worked hard all their lives and looked forward to retirement.

But, like many elderly, they fell ill. While the wife struggles with illness herself, she has had to care for her sick husband.

Recently, she came to me for assistance. It seems no one could help her secure a place in a nursing home for her husband. Thankfully, we were able to do that for them. But I worry about how this family will be impacted by the cuts in Medicare and Medicaid.

First, under the Republican Medicare cuts, the ill wife will lose the security of her Medicare coverage. Yes, the Republicans are promising choice to my constituents.

But the truth is, should my constituent want to stay in her current fee-for-service plan with her trusted doctor, she will be forced to pay over \$1,000 a year in premiums by the year 2002.

How can a plan promising choice produce such terrible results? It is because of what the Republicans are not telling seniors.

The Republicans offered concessions to doctors, at the expense of the seniors, by allowing the creation of provider service networks. The Republicans have encouraged doctors to form their own managed care plans.

Knowing the benefits the doctors will get from these networks, how can anyone believe that there will be providers left for seniors in the fee-for-service plan?

The Republicans say there will be no cut in services, but if you cap spending for services at below the growth in private sector health plans, seniors will have to pay more. To me, that is a cut.

Make no mistake, seniors will pay more. The so-called failsafe provision looks back at the program to make sure spending targets are met. If not, payments to providers in the fee-for-service sector would be automatically reduced—but not in the Medicareplus plans.

If the Medicareplus plans don't produce the savings the Republicans promise—and we all know they will not—then the fee-for-service sector will suffer.

The promise to maintain the current Medicare option for seniors who want it is just a sham.

My constituent on a limited income is now forced into a HMO, if an HMO thinks it is profitable to come into her region. Republicans have left it up to the HMO's to decide where they choose to offer services.

There is no requirement that they serve us all. But, let us say an HMO comes to our region. My constituent is forced to leave her doctor for the plan's doctor—now that's some choice. But what if she doesn't like the plan's doctor or the coverage the plan offers?

The Republicans promise her she can come back to Medicare. Even if we pretend that Medicare would still look like she remembered it, there is no guarantee—none at all—that her Medigap insurance has to take her back.

This is a crucial issue that every senior in the country needs to understand. There is no choice. Once you enter an HMO you have absolutely no guarantee that you can return to the same level of coverage you currently enjoy in Medicare. Absolutely none.

I have painted a picture of a woman with little choice—this is a portrait of Medicare under the Republicans. But, sadly, it gets worse.

Let's talk about her husband. She finds security in knowing that he is well-cared for in a nursing home. But under the Republican plan, the Federal standards for nursing home protection will be erased. And, if he were dependent on Medicaid, as nearly two-thirds of nursing home residents are, his wife might be forced to sell their home to keep him there.

The Republicans remove the restrictions on spousal impoverishment. They allow States to decide whether the spouse's income and home can be assumed for payment of nursing home care.

Let us suppose our State does the right thing and protects the spouse from having her home and wages attached.

Now our State becomes a safe haven for seniors in need of long-term care. By opposing 24 Governors who don't want Federal rules preventing spousal impoverishment, our State would stand tall.

But in the Republicans' plan, there is always a cost for doing the right thing. If we do the right thing, and seniors come to our State in even greater numbers to benefit from our protections, we will have more people to serve.

However, our block grant numbers under the new Medicaid formula will not increase. States who go after spouses and families and scare seniors away get to reap the benefits of their block grant. Floridians suffer.

The picture for my constituents is not pretty. And I am saddened to have to deliver this message to Florida's seniors. But I won't have to if we work to expose the closed-door dealings of the Republican leadership and we bring out into the open the severity of these cuts. We must defeat these cuts for the health and security for our seniors.

MEDICARE REFORM

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

Mr. WELDON of Florida. Mr. Speaker, unlike the gentlewoman who just spoke from Florida, I support our Medicare reform proposal.

Mr. Speaker, we have heard a lot of use of the cut word. I recently had a very interesting conversation with a hospital administrator from my district who said, you are going to be cutting Medicare. We got to talking a little bit, and it seemed that his budget was about \$100 million, and \$65 million of that came out of Medicare. I asked him, were we going to reduce your amount coming from Medicare? No.

Mr. Speaker, the truth is, under the administration's proposal, the growth to that particular hospital in Medicare over 7 years was going to be 100 percent, that that hospital would end up getting about \$130 million, and we are talking about reducing the increase to that hospital from \$65 million to about \$100 million over the next 7 years.

I ran on one of my platform issues being that we will never, ever be able to rein in out-of-control growth in so many of these Federal programs if we continue to call reductions in the rate of growth of a program a cut. If we are going to say a 10 percent per year increase is our base line and if you are going to lower that to 6 percent per year, that is a cut. We will never restore solvency to the Medicare Program, we will never restore solvency to Washington, DC, and we will end up in bankruptcy.

Prior to coming to this House, I was a practicing physician. Indeed, 50 per-

cent, a half, of the people that I took care of as a doctor were Medicare patients. Indeed, I continue to see patients when time allows when I go back to my district, many of whom are senior citizens. Though 50 percent of my patients were Medicare patients, only about 45 percent of my revenue came from those. Because, you see, Medicare reimburses lower than the private sector.

But even though Medicare reimburses lower than the private sector, the rate of growth in the private sector is substantially less. Indeed, I was part of the committees that got together and drew up this Medicare plan, and one of the most amazing things we found out was that in some of these programs in the private sector they are actually reducing their premium.

You have a situation where you have health care plans in southern California where they are lowering by 1.5 percent the charges to the companies in those areas, and we have here a government-run plan that is steaming along at 10.5 percent, and we have a Medicare plan that the Medicare trustees are telling us is going to be bankrupt. So we have come up with a proposal.

There have been a number of outrageous, outlandish, inaccurate claims made by the opposition tonight. One of them is that we are doing this is Medicare to pay for tax cuts for the rich.

Well, let me tell you about our tax program. It is a \$500 per child tax reduction for families with kids. I do not know how that translates into a tax cut for the rich. We paid this spring for every single penny in those tax reductions to those working families by reducing discretionary spending.

All of the money in this plan goes to maintain the solvency of the Medicare plan. It is going to be insolvent. The administration, the Democrat administration itself has told us it is going to be insolvent.

Now, I am getting a lot of phone calls from seniors in my district, and I think they are great phone calls. A lot of them have been drummed up by AARP, and I have to say I think this is wonderful that we are having this debate, it is wonderful we are having this dialog.

One of the questions I get asked is, are you going to increase my copay? It is currently at 20 percent. Medicare pays 80 percent. I hear that you are going to increase the copay. The answer to that is in this House bill we are going to vote on tomorrow, no, we are not going to do that.

Another thing that I have seniors calling me about, they are asking me, are you going to increase the deductible? And the answer to that is, again, no. The deductible is going to stay the same. It is going to be \$100.

I have seniors calling me and saying, are you going to force me into an HMO? Are you going to restrict my access to physicians' care? And the answer to that, again, is no.

If you want to choose one of these Medicare Plus plans, you can. We are