

Kasich	Myrick	Shuster
Kelly	Nethercutt	Skeen
Kim	Neumann	Smith (MI)
King	Ney	Smith (NJ)
Kingston	Norwood	Smith (TX)
Klug	Nussle	Smith (WA)
Knollenberg	Oxley	Solomon
Kolbe	Packard	Souder
LaHood	Parker	Spence
Largent	Paxon	Stearns
Latham	Petri	Stockman
LaTourette	Pombo	Stump
Laughlin	Porter	Talent
Leach	Portman	Tate
Lewis (CA)	Pryce	Tauzin
Lewis (KY)	Quillen	Taylor (NC)
Lightfoot	Quinn	Thomas
Linder	Radanovich	Thornberry
Livingston	Ramstad	Tiahrt
LoBiondo	Regula	Upton
Longley	Riggs	Vucanovich
Lucas	Roberts	Waldholtz
Manzullo	Rogers	Walker
Martini	Rohrabacher	Walsh
McCollum	Ros-Lehtinen	Wamp
McCrary	Roukema	Watts (OK)
McDade	Royce	Weldon (FL)
McHugh	Salmon	Weldon (PA)
McInnis	Sanford	Weller
McIntosh	Saxton	White
McKeon	Scarborough	Whitfield
Metcalf	Schaefer	Wicker
Meyers	Schiff	Wolf
Mica	Seastrand	Young (AK)
Miller (FL)	Sensenbrenner	Young (FL)
Molinari	Shadegg	Zeliff
Moorhead	Shaw	Zimmer
Myers	Shays	

Towns	Volkmer	Wise
Traficant	Ward	Woolsey
Velazquez	Watt (NC)	Wyden
Vento	Waxman	Wynn
Visclosky	Wilson	Yates

NOT VOTING—13

Crane	Martinez	Tucker
Fields (LA)	Morella	Waters
Flake	Payne (VA)	Williams
Johnson (CT)	Roth	
Lazio	Tejeda	

□ 1131

So the resolution was agreed to.
The result of the vote was announced as above recorded.
A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PAYNE of Virginia. Mr. Speaker, during rollcall vote No. 727 on House Resolution 238 I was unavoidably detained. Had I been present I would have voted "no."

PERSONAL EXPLANATION

Mr. ROTH. Mr. Speaker, on rollcall No. 727 I was in a meeting on the agriculture trade provisions, but had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mrs. JOHNSON of Connecticut. Mr. Speaker, on rollcall No. 727 I was inadvertently detained, but had I been present, I would have voted "yes."

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2425.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas?

There was no objection.

MEDICARE PRESERVATION ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 238 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2425.

□ 1132

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2425) to amend title XVIII of the Social Security Act to preserve and reform the Medicare Program, with Mr. LINDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. ARCHER] will be recognized

for 45 minutes, the gentleman from Florida [Mr. GIBBONS] will be recognized for 45 minutes, the gentleman from Virginia [Mr. BLILEY] will be recognized for 45 minutes, and the gentleman from Michigan [Mr. DINGELL] will be recognized for 45 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today marks a great and historic occasion. With the action we are about to take, we will perform lifesaving legislative surgery on our Nation's vital Medicare Program.

In just 74 days, for the first time in the 30-year history of Medicare, the Government will begin a year in which it spends more Medicare money than it takes in. I repeat, this has never happened before.

That is why the action we are taking today is so very important.

This bill saves Medicare for seniors. It preserves Medicare for 50-year-olds, and it tells young voters to have faith in their Government. We Republicans have long-term solutions, and we are determined to protect Medicare for them, too, without raising their taxes.

Our bill is innovative, bold, and visionary. It is long term. When it comes to a program as important as Medicare, nothing else is acceptable.

Under our bill, seniors will have the right to freely choose the Medicare plan that best suits their needs, including staying in the present fee for service system, and to keep their own doctor, keep their own hospital, and keep their own plan, if that is their preference. It is their choice to make, and no one in government will force that choice.

For the first time, Medicare will give seniors access to the same kind of health care plans that are available in the private sector, many of which include benefits that are not currently available under Medicare.

We also have to ask, why should not seniors have the same choices like Congressman do? Under Medicare-plus, they will. And to make certain our solution is long term, we protect the savings, thanks to a proposal of the gentleman from Pennsylvania [Mr. ENGLISH], language in this bill guarantees that the savings cannot be used for tax cuts.

The Democrats know that we paid for our tax cuts, more than paid for them, last spring, before we ever got into Medicare. This bill is about saving Medicare for Medicare's sake.

Our bill powerfully and effectively cracks down on fraud and abuse. It rewards seniors who discover fraudulent practices. It doubles civil penalties and creates new criminal penalties against those who commit fraud.

As I mentioned earlier, our solution is long term. It saves Medicare for the next generation. This contrasts with the Democrats' quick fix approach, a Band-Aid approach, designed to save themselves for the next election.

NOES—192

Abercrombie	Frank (MA)	Miller (CA)
Ackerman	Frost	Minge
Andrews	Furse	Mink
Baesler	Gejdenson	Moakley
Baldacci	Gephardt	Mollohan
Barcia	Geren	Montgomery
Barrett (WI)	Gibbons	Moran
Becerra	Gonzalez	Murtha
Beilenson	Gordon	Nadler
Bentsen	Green	Neal
Berman	Gutierrez	Oberstar
Bevill	Hall (OH)	Obey
Bishop	Hall (TX)	Olver
Bonior	Hamilton	Ortiz
Borski	Harman	Orton
Boucher	Hastings (FL)	Owens
Brewster	Hayes	Pallone
Browder	Hefner	Pastor
Brown (CA)	Hilliard	Payne (NJ)
Brown (FL)	Hinchev	Pelosi
Brown (OH)	Holden	Peterson (FL)
Bryant (TX)	Hoyer	Peterson (MN)
Cardin	Jackson-Lee	Pickett
Chapman	Jacobs	Pomeroy
Clay	Jefferson	Poshard
Clayton	Johnson (SD)	Rahall
Clement	Johnson, E. B.	Rangel
Clyburn	Johnston	Reed
Coleman	Kanjorski	Richardson
Collins (IL)	Kaptur	Rivers
Collins (MI)	Kennedy (MA)	Roemer
Condit	Kennedy (RI)	Rose
Conyers	Kennelly	Roybal-Allard
Costello	Kildee	Rush
Coyne	Klecza	Sabo
Cramer	Klink	Sanders
Danner	LaFalce	Sawyer
de la Garza	Lantos	Schroeder
DeFazio	Levin	Schumer
DeLauro	Lewis (GA)	Scott
Dellums	Lincoln	Serrano
Deutsch	Lipinski	Sisisky
Dicks	Lofgren	Skaggs
Dingell	Lowey	Skelton
Dixon	Luther	Slaughter
Doggett	Maloney	Spratt
Dooley	Manton	Stark
Doyle	Markey	Stenholm
Durbin	Mascara	Stokes
Edwards	Matsui	Studds
Engel	McCarthy	Stupak
Eshoo	McDermott	Tanner
Evans	McHale	Taylor (MS)
Farr	McKinney	Thompson
Fattah	McNulty	Thornton
Fazio	Meehan	Thurman
Filner	Meek	Torkildsen
Foglietta	Menendez	Torres
Ford	Mfume	Torricelli

Mr. Chairman, I believe that not only will this bill be historic, so, too, will this Congress. We are the first group of lawmakers to directly challenge the convention political wisdom that it is not politically possible to fix America's explosive entitlement programs, which threaten to bankrupt our Nation and the future of our children.

The Democrats who ran Congress for 40 years refused to confront the Nation's long-term problems, other than by raising taxes. Republicans are proving today that we can and will solve our Nation's most difficult problems, and I predict the American people will be thankful that we did.

Mr. Chairman, long-term programs must be fair for all generations. I am proud to author this bill, not just as a Member of Congress, but as a Medicare beneficiary myself and as a parent and a grandparent. What we do today is historic. It is wise, it is just, and, most importantly, it saves, preserves, and protects Medicare.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is, I agree with the gentleman from Texas [Mr. ARCHER], truly an historic day. Unfortunately, it is another day in infamy for 40 million Americans who depend upon Medicare for their health care. These 40 million Americans will in a few years, if this bill becomes law, be herded into managed care, where instead of getting a doctor when they need help, they will get a gatekeeper, and the money saved by all of that will be used to pay for an unconscionable tax cut. That is the simple issue that we are deciding here today.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. STARK], the ranking member on the Subcommittee on Health of the Committee Ways and Means.

Mr. STARK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, Medicare is one of the finest achievements of the U.S. Government, and for 30 years, hundreds of millions of seniors have been provided quality health care at a reasonable cost, in an efficient manner, under the guidance of the Federal Government.

Now one Republican, in a messianic grab for power, seeks to destroy Medicare. With reckless disregard for the seniors, these leaders on the Republican side bribed the American Medical Association with a \$300 million pay raise. The seniors are paying for that \$300 million bribe to the doctors by being denied cancer treatment in mammograms and colorectal screening.

The same Republicans, on the same day the bribe was given, voted to cut cancer screening for seniors, to repay political contributors of over \$1 million by the Golden Rule Insurance Co. alone. Medical savings accounts have been delivered. They cost \$3 billion.

Who pays for them? The seniors, by having their part B premiums doubled.

Seniors are denied the free choice under the Republican bill of doctors and are forced to join managed care plans run by the likes of Prudential Insurance Co., a company convicted of defrauding its customers of over \$3 billion. Why should we vote to have our parents' health care entrusted to crooks like Prudential Insurance Co., just so the same rich executives who run that company can share in \$245 billion in tax cuts? It is immoral, it is un-American.

It is what the Republicans are doing, unknowingly, at the direction of one person. Not a person on that side of the aisle knows what is in this bill. No subcommittee ever met to consider the bill. It was written by one person in the bowels of this Capital to destroy Medicare, and that is what they are doing. This same leader destroys any protection from fraud and abuse and shoddy care in nursing homes, all in the name of less government.

Every congressional district in this country under this Republican plan will see hospital payments cut by an average of \$300 million. Go home and tell your hospital administrator that for the next 7 years they get \$300 million less. Ask them which emergency room they are going to close, which senior citizen they are going to deny care.

Unfortunately, nothing is so likely to sway the Republicans as honesty and decency. But these cuts they propose will hurt, and hurt badly, real people. Hard-working Americans, who paid into Medicare for years will not get community health care centers, they will not get safety net systems to provide them Medicare.

For 30 years we have working successfully to uphold the one true Contract with America, and that is Medicare. We have not and will not agree to breaking that contract in order to finance Republican tax cuts for the wealthiest Americans. We must do everything to defeat this reckless Republican plan. I urge a "no" vote.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, as we begin this historic debate on the Medicare Preservation Act, I would like to lay a few principles on the table: The first is that no one in this Chamber should dare suggest that they love their parent or grandparent any more than anybody else in this Chamber. As I speak today, my mother, 77 years old last week, twice a cancer survivor, is laying in a hospital bed in room 219 of Thibodaux General Hospital in my hometown. She is doing fine. My sisters are with her, and I speak to her every hour. She is on Medicare, one of the prime beneficiaries in this country of a great system. To suggest that anyone in this room does not love their parents

enough to sustain that system is simply wrong. We can do better than that in this debate.

□ 1145

The second principle I would like to lay down is, we all agree the Medicare trust fund will begin running out of money next year and run out of money in 7 years unless we do as the trustees suggest; fundamentally change the system to keep it out of bankruptcy, to preserve it for my mother and your parents and grandparents.

Now, we differ on how to accomplish that. We should debate those differences and not challenge each other's motives here. Our differences are simple. We believe, as President Clinton believes, and as he has said, "Medicare and Medicaid are going up at three times the rate of inflation". We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut.

Mr. Chairman, when we hear all this business about cuts, let me caution Members that that is not what is going on. We are talking about increases in Medicare and a reduction in the rate of growth.

We believe as the President does, that we have to substantially cut back the waste, the fraud, and the inefficient spending in Medicare to save it.

Second, we believe seniors should have the choice to stay in Medicare, and our plan lets them stay. To choose Medicare, to choose their own doctor, choose their own hospital, or, if they want to, like my mother, remain in the system. Our plan allows that. We also believe seniors should have the same choices we Members have, other options, and that is what our plan provides.

Mr. Chairman, I urge a "yes" vote on this good bill.

Mr. DINGELL. Mr. Chairman, I yield myself 2 minutes.

Thirty years ago this year I had the privilege of sitting in the Chair and presiding over the House when we passed Medicare into law. This is the gavel I used. Before that time better than half of Americans had no health insurance if they were senior citizens. Today, 99½ percent of American senior citizens are covered by health insurance.

What is going to happen today is that this body, under a gag rule, is going to vote to cut the benefits of senior citizens, to reduce their choice of doctors, to cut money for fraud enforcement, and to weaken the laws against fraud. And the Justice Department and the inspector general of the Department of Health and Human Services say so. It is going to force people into HMO's. We will close hospitals today, especially rural hospitals.

Mr. Chairman, this is because the House is preparing to honor a Republican commitment to cut \$245 billion in taxes for the rich and to cut Medicare \$270 billion. Without that cut of \$270 billion in Medicare, the tax cut is not possible.

This bill will reduce protection for nursing home patients. It was crafted by an abundance of sneaky, unreported, backroom deals. The bill is over 300 pages long. It has grown like fungus, and each of those growths represents a significant benefit to special interests. Last night the bill was changed after the House adjourned.

Mr. Chairman, no one knows what is in this bill because no hearings have been held upon it. I urge my colleagues to reject the bill.

Mr. Chairman, I include for the RECORD my full statement.

Mr. Chairman, many years ago, a clever songwriter offered advice this House would do well to heed: "Fools rush in where wise men fear to go."

The process by which we have reached this point is foolish in every sense. Without a single hearing devoted to the contents of this bill, Republicans ask America's seniors to stand like deer in the headlights, transfixed by the notion of fixing the Medicare program. They expect senior citizens to accept without question or complaint the absurd declaration that unless we destroy the Medicare program now, it will destroy itself.

Nothing could be further from the truth. I say to my Republican colleagues that it's this simple: Drop your tax cut for the rich, and none of these Medicare cuts will be necessary.

This debate occurs, appropriately, in October, the month of Halloween. This is the time for walking around in costumes and masks. This Medicare bill has been costumed by the Republicans in the cloak of Medicare preservation. But after today's trick or treat is over, after the mask comes off, Medicare beneficiaries will understand that the only reason the Republicans have to cut \$270 billion from the Medicare program is to provide for a tax break for their rich friends who don't need it.

This Republican bill will cost seniors more money. It will reduce their choice of doctors. It will jeopardize the quality of the health care system. It will compound, not correct, the problems waste, fraud, and abuse. And if this bill passes, my friends, the AMA's members will need that tax cut to shelter all their additional income from the extra money stuck in this bill for them in some backroom deal for which they sold their support.

This is the same AMA, I remind the seniors out there, that opposed the creation of Medicare in the first place. Socialized medicine, they called it. But now that they have their snouts in the public trough, they just want more and more and more. For seniors, that means less and less and less.

Mr. Chairman, the American people will hear more throughout the day about the defects in this legislation. I urge my colleagues to oppose this bill. It took 30 years for us to create and build the Medicare system; let's not take just a few hours to destroy it.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are going to hear a lot of misinformation presented in this debate, and I would challenge my Democrat friends to begin to list the benefit cuts that are made in this package from what are currently available under Medicare, because there are none.

Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr.

BUNNING], a respected member of the committee.

(Mr. BUNNING of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Chairman, I rise in support of the Medicare Preservation Act. It's a good bill.

It preserves Medicare—it strengthens Medicare.

It keeps Medicare from going bankrupt. And best of all it gives senior citizens more options—more choices.

I think you will all agree that Members of the U.S. Congress have a good health care system.

We get a booklet every year that lists the options available to us—insurance plans or PPOS and HMOS. We get a wide range of choices. We can pick a plan that suits our needs and our family's needs. It's a good deal.

I have enrolled in a PPO. I still get to see my family doctor—my gatekeeper. I show him this card—and my office visit only costs me \$10. And I have this other card that I can take to the drug store and pick up my prescription medicine and no matter how much it costs, I only pay \$10.

It's a good deal.

This Medicare reform bill that we are considering today gives the senior citizens of our country the same kind of options that Members of Congress now have. It will give them the same kind of choices we have.

That's the beauty of this bill. We save Medicare. We strengthen Medicare and on top of it all, we make Medicare better.

We are going to hear a lot of outrageous rhetoric about how we are slashing benefits—that's hogwash. It's political hogwash. And I, for one, think that this program is too important to play political games with.

This bill is a good bill—it gives senior citizens the same kind of health care that Members of Congress enjoy now. That's a good deal.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume to answer the gentleman from Texas' challenge.

I am sure the gentleman is familiar with his bill. He knows there is a fail-safe device in there. The impact of the fail-safe device is to require the Secretary of Health and Human Services to make cuts only in the fee-for-service program an undesignated amount of money in order to balance the Federal budget. There is no way that the Secretary of Health and Human Services can make that kind of cut and preserve fee-for-service type service for people who elect it.

Mr. Chairman, that is the fraud in the gentleman's bill. One of the many frauds in his bill. And it will drive all seniors into a gatekeeper operation under managed care.

Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I speak today as a woman who has served on the Ways and Means Committee for over a decade. During that time, I have taken a number of tough votes to protect Medicare's solvency—and today, I am again willing to vote to protect Medicare and its future. However, my experience tells me that a \$90 billion problem does not demand a \$270 billion solution—so I know the reductions in the majority's bill are too deep and too damaging to Medicare.

Let me raise two specific reasons why this legislation would hurt senior citizens.

First, the bill would limit the amount Medicare pays for beneficiaries. The bill's hard cap on payments would not keep pace with medical inflation, and would therefore create a growing disparity between what health services cost and what Medicare would pay. This disparity would certainly undercut the quality of care under Medicare and force seniors into a terrible choice: Either pay more to make up the difference or settle for second-rate health care. Seniors should not be discriminated against in this way.

Second, proponents of the bill claim that people on Medicare will have new choices while retaining their right to stay in traditional Medicare. I support providing additional choices, but choice for some should not ruin the only choice for others—traditional Medicare.

Under the majority's bill, some seniors would pay the price for the choices made by others. This puts a new spin on the carrot-and-stick approach: Under this bill, when healthier seniors choose the carrot, sicker seniors get the stick.

For example, when younger, healthier seniors leave traditional Medicare by selecting a medical savings account, that will leave older, sicker seniors behind in traditional Medicare to face rising costs. As a result, these higher costs would trigger the so-called failsafe cuts, further reducing payments to doctors and hospitals in traditional Medicare. The obvious consequence would be fewer and fewer quality providers for seniors remaining in traditional fee-for-service Medicare.

Some might reply that a well-designed risk adjuster would address this problem of adverse selection. But the simple truth is: We do not currently have, nor does this bill propose, such a risk adjuster—and anyone who understands this issue, which is always present in insurance decisions, knows how hard it would be and has been to design one.

If we are going to tell seniors they can stay in traditional Medicare, then we have an obligation to ensure that it is a real option, and not just a false promise. This bill fails that test.

The majority often implies that seniors will barely notice the reductions, since so much of their bill's savings

would be achieved by cutting fraud and by providing seniors more health care options. But the truth is that almost all of the bill's savings come from cutting payments to providers and increasing beneficiaries' premiums. In fact, the Congressional Budget Office [CBO] has said that only 1 percent of the bill's savings come from reducing fraud, and that only 2 or 3 percent of the bill's savings come from providing seniors new choices. More than 95 percent of the savings will come in ways that will be all too evident to America's seniors. The Medicare they know will be no more.

Mr. Chairman, the American people want to keep Medicare solvent. I do too. That is why I am voting for \$90 billion to save Medicare. But \$270 billion in Medicare reductions is ludicrous. It should not happen, and it will wreck Medicare as we know it.

Mr. ARCHER. Mr. Chairman, I yield 30 seconds to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I want to point out for the RECORD that no speaker has pointed to any benefit cuts. In fact, our bill guarantees all Medicare benefits, for future retirees as well as for current retirees, an increase of spending per retiree of \$2,000 over the 7 years, which is just as much as we increased spending over the last 7 years. Thus, absolutely guaranteeing the benefits will be there for America's seniors.

Mr. GREENWOOD. Mr. Chairman, I yield 1½ minutes to the gentleman from North Carolina [Mr. BURR], a fine new freshman Member of the House who has contributed significantly to the bill.

(Mr. BURR asked and was given permission to revise and extend his remarks.)

Mr. BURR. Mr. Chairman, I came to Congress because I believed that there were many things in this country that just did not work like they were designed. Medicare is one of them. For once, it is time for us to stand up to the Federal Government bureaucrats who believe that they can do no wrong.

In my opinion, Medicare is a perfect example of good intentions choked by a bureaucracy unable to address the changing needs of a vital program. It is long past time that we inject the wisdom of the private sector, which has created products that work, into a health care blueprint for seniors in America.

It is time to offer choice to Medicare beneficiaries which allow and encourage them to spend their health-care dollars in a way that best fits their health needs.

It is time we allow our parents the ability to choose their coverage while maintaining the security of the current system for those who need it.

Call me crazy, Mr. Chairman, but for decades we have delayed, ignored, and tinkered with Medicare while my parents and 36 million other Americans have seen their health care costs rise

and consume 21 percent of their disposable income.

Mr. Chairman, when I joined with Members of the 104th Congress in a genuine effort to reform Medicare and preserve it for the next generation, I made a deal with myself. I pledged that I would not support a plan that I could not sit down with my parents and explain.

□ 1200

Well, I have explained it, and, Mr. Chairman, I am here today to say that we owe it to the American seniors to pass this preservation act.

Mr. DINGELL. Mr. Chairman, I yield 15 seconds to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, the gentlewoman from Connecticut said there are no cuts in this bill. I would direct the attention of the gentlewoman to page 275 in PPS hospitals, which shows that for 1996, which started 18 days ago, fiscal year 1996, there is a 15-percent cut for hospitals. That 15 percent will not only affect seniors, but the whole population that is served by those hospitals.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. WAXMAN].

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Chairman, what we are going to do today, if the Republicans get their way, is a travesty, it is irresponsible, and it is wrong. Thirty-seven million Americans depend on Medicare. They want a program that let them see their own doctor and protects them from financial ruin when they get sick.

Mr. Chairman, they do not want us to gamble with Medicare. They do not want us to go along with what some health-care theorist thinks might make them more cost-conscious consumers. They already watch their dollars. They pay enough in premiums and coinsurance, and most Medicare recipients live on less than \$25,000 a year.

Most of all, they do not want us to balance the budget on the backs of Medicare recipients. They do not want us to cut Medicare so we can cut taxes.

The supporters of this bill are not telling us some facts. First of all, not only will Medicare beneficiaries pay higher premiums to hold on to part B, but the bill will allow doctors and hospitals to charge the patients more money directly over and above what they get now paid from the Medicare fund. That is something they cannot do at the present time.

Second, this will take away the choice of doctors and will herd people into managed care plans. That is not a bad choice if you want an HMO, but that should not be your only choice.

Third, this bill is going to jeopardize the quality of care for everyone, when hospitals and emergency rooms are forced to close, when medical research hospitals are starved of funding.

Mr. Chairman, this is a bad bill. It has not been thought through and we ought not take a chance with a program that is so important to so many Americans.

Mr. ARCHER. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. THOMAS] chairman of the Health Subcommittee of the Committee on Ways and Means, a gentleman who has contributed so much in the development of this plan.

Mr. THOMAS. Mr. Chairman, we are going to respond every time someone makes a misstatement, and the misstatement was that we are cutting the hospital updates. We are not cutting; we are slowing the growth.

Mr. Chairman, the gentleman from Louisiana talked about "slowing the growth" in a statement from the President. Here are the updates according to the CBO numbers. As any Member can see, every year the hospital reimbursement goes up. That is slowing the growth. That is not a cut.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. COLLINS], a member of the Committee on Ways and Means.

Mr. COLLINS of Georgia. Mr. Chairman, there is an old saying: Temptation will beat your door down, but opportunity will knock only once.

Today the Democrats offer temptation: To extend Medicare until 2006. But the Republicans offer an opportunity to extend Medicare to 2012 and beyond.

The real difference between temptation and opportunity is that the Democrat temptation sets the stage for another tax increase by the year 2006. Their plan will leave the Medicare trust fund underfunded by \$309 billion—just when those Medicare funds will be needed by the World War II generation.

But Mr. Chairman, this is nothing new—this has been the pattern of Congress over the last 31 years, since Medicare was created.

Congress has either increased the rate or changed the income base 23 times in 31 years in order to keep the Medicare program running.

The temptation the Democrats offer today continues that history and ensures that taxes will again have to be raised in order to continue Medicare.

Mr. Chairman, what happens when payroll taxes are increased?

Seniors know. Seniors know their children and grandchildren will have less income for their families; the cost of consumer goods and services will increase; and we are less competitive in the world market.

Mr. Chairman, when our Medicare seniors, who are on a fixed income, go to the doctor, the grocery store, or pay utilities, the cost of each of these services will reflect the increase in payroll taxes.

The Democrat temptation to Medicare reform repeats the mistakes of the past.

The Medicare Preservation Act is the best of the two options.

It addresses concerns about excessive charges for health care, addresses waste, fraud, and abuse of precious Medicare dollars, and ensures that Medicare will be solvent until 2012 and beyond.

The Medicare Preservation Act requires that we look ahead and anticipate the World War II generation; and we will study the changes to make sure it is working like it's supposed to.

It does all this by changing the Medicare process, without a tax increase.

Mr. BLILEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, Medicare is going to lose \$18 billion this year from waste, fraud, and abuse. That is \$50 million a day, \$2 million an hour, \$3,000 dollars a minute. Since the debate began at 9 o'clock this morning, Medicare has lost \$6 million due to waste, fraud, and abuse.

Mr. Chairman, the bill before us has the toughest penalties ever presented to the Congress on waste, fraud, and abuse. For the first time we have a definition of Federal health care fraud.

Mr. Chairman, I want to read that very quickly:

Whoever, having devised or intending to devise a scheme or artifice, commits or attempts to commit an act in furtherance of or for the purpose of executing such scheme or artifice to defraud any health care benefit program; or to obtain, by means of fault or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.

That is the definition. They can be fined and imprisoned for up to 10 years. If the fraud results in bodily harm, they can be imprisoned for up to 20 years. If the fraud results in death, they can be imprisoned for life.

Mr. Chairman, that is tough. If they make a false statement, they can be imprisoned for 5 years. That is currently a misdemeanor. If they try to embezzle or steal money, they can be in prison for up to 10 years. If they try to bribe or engage in graft, they can be in prison for up to 15 years.

Mr. Chairman, I could go on and on, but this bill has the toughest waste, fraud, and abuse penalties ever presented to this Congress. I urge my colleagues to vote for it.

Mr. DINGELL. Mr. Chairman, I yield 90 seconds to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, the last gentleman spoke about fraud in this bill. I agree with the gentleman. It is a fraud to have this bill.

Mr. Chairman, if you take a look at it, this GOP bill, what the Republicans have done, they have legalized fraud in this bill. They have raised the legal standard that is required of law enforcement to crack down on fraud, waste, and abuse. They have raised the legal standard in which HCFA and OIG can recover proceeds, money stolen from the trust fund.

Mr. Chairman, the GOP bill makes it harder to detect fraud; makes it harder to prosecute fraud; makes it harder to recover. Even CBO, that the gentleman from California [Mr. THOMAS] has quoted from, says the fraud provisions will only get us \$2 billion over 7 years.

Mr. Chairman, they do not even find any fraud in this bill until 1998. They cannot find any. I can tell my colleagues that with oxygen concentrators, we can recover \$4.2 billion in 5 years just by using the same formula the Veterans Administration uses. But my colleagues on the other side do not accept those things.

Mr. Chairman, there is no fraud-fighting elements in this bill. The Department of Justice is against it. The Office of Inspector General is against it. They have all come out against these so-called fraud and abuse sections. Take the charts from CBO and take the time line that has been created. Mr. Chairman, \$2 billion is all they recover.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. THOMAS], chairman of the Subcommittee on Health.

Mr. THOMAS. Mr. Chairman, we are talking about fraud and abuse. What my colleagues should do is look at the bill.

Mr. Chairman, this bill, as the gentleman from Texas [Mr. BARTON] correctly pointed out, does more than any other provision ever in the history of Medicare.

Fraud: We find it. We utilize 37 million Americans with not only a toll-free number, but a whistleblower reward structure by the Secretary. We require, it is not required now, an explanation of what goes on, so recipients will know what has been done to them.

Mr. Chairman, we have a Medicare Integrity Program. We utilize the newest technology to go after fraud. We have a corporate whistleblower program. We double the civil penalties. We have criminal penalties. We have expulsion from all Federal programs if providers are found to be violators.

Mr. Chairman, we increase the enforcement with bucks put in by the Shaw-Gibbons amendment for more enforcement officials. Lastly, and most importantly, we define in a way so that people will know what they can or cannot do. It is clear. It is responsible. Fraud: we find it, we fight it, and we fix it.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, clearly the issue of fraud and abuse is a sensitive nerve on the majority side, and it should be.

Mr. Chairman, the Inspector General and the Justice Department have said my colleagues on the other side are going to cripple efforts under Medicare, and they are.

The Republican side called these efforts to weaken the fraud statute salacious. It is. What they inserted last

night was a provision that does not touch their weakening of the fraud and abuse provisions. They have weakened them, and they have told Members maybe they will fix them later.

Why did they do this? And nothing they did last night can cover it up. What they did last night may be a small step forward in some areas, but it is five steps backward in terms of fighting fraud and abuse against Medicare. That is what they have done and it is shameful.

Mr. BLILEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, this is quite simply a choice about two different headlines.

January 1, 2002. "Medicare Bankrupt. Seniors Devastated. Hospitals to Close. Safety net Destroyed."

Or October 20, 1995. "Medicare Saved. Federal government delivers on its promise to seniors."

Which headlines would you prefer to see. Now which headline do you think I want my mom to see who's now living in Wisconsin who's 78 years old?

If we do not save Medicare today the President's own Medicare trustees say the Medicare trust fund will be tapped out in 7 years. There will be nothing left. Zero. Zippo.

Oh sure there is another way to fix it. To raise taxes. To pump more into a bureaucratic, Washington system whose losses are twice the private sector. The President admitted the other day he made a mistake raising taxes last year. No fooling.

What kind of tax increases will it take to save Medicare—how about another 1.3 percent payroll tax—\$585 a year for someone making \$45,000 a year. Now that is just in the next few years.

But as the shortfall gets worse we would have to raise the taxes again—nearly double the current rate—meaning an increase of \$1,584 a year for that worker making \$45,000.

The impact on small businesses is absolutely devastating—the Chamber of Commerce says a small business with 25 workers—mail in another \$13,000 in tax payments. How do most businesses react to tax increases, they cut jobs, raise prices—and that means 3 million jobs vanish.

Fix Medicare today—give seniors options, live up to the promise. Listen to the President's own death bed conversation about raising taxes. Which headline do you prefer? Medicare thrives, or Medicare dies. Not too tough a choice is it?

Mr. Chairman, the choice is easy. One headline or the other: "Medicare Thrives" or "Medicare Dies".

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Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PALLONE], chairman of the Democratic Health Care Task Force.

Mr. PALLONE. Mr. Chairman, I want to make a plea to my colleagues on the

other side of the aisle to oppose this ill-conceived Medicare plan. The Republican leadership proposal, as we know, will cut \$270 billion out of Medicare to pay for \$245 billion in tax cuts mostly for the wealthy.

It is not necessary to make these cuts in order to keep Medicare solvent. The Medicare trustees have told us that Speaker GINGRICH's cuts had three times any estimate of what is needed to make Medicare solvent. Mr. Chairman, seniors are going to be forced to pay more to get less under the Gingrich proposal. Part B premiums will double without a penny of that increase going back into the part A Medicare hospital trust fund.

Seniors will ultimately be forced into HMO's and have to give up their own doctors because the Republican proposal puts money into HMO's at the expense of the traditional Medicare system.

My colleagues, the Republican plan will destroy America's high quality health care system because hospitals and other health care providers will be so squeezed for Medicare dollars that they will be forced to close or significantly cut back on their services.

None of this would be necessary if Speaker GINGRICH were not insisting on a big tax break for the wealthy. I know that at least half of my Republican colleagues from the State of New Jersey have already indicated that they are voting no on this terrible bill. I would ask all of my colleagues on the other side to heed the words of three Republican State legislators from the Jersey Shore who wrote to my New Jersey colleagues in the House this week and urged support for the Gibbons-Dingell substitute.

They said, and I quote:

Alternative proposals have been offered that would maintain the solvency of the part A and part B trust funds until the year 2006. This \$90 billion compromise package would provide a decade for Congress and the White House to achieve a well-planned and balanced proposal to resolve Medicare's financial problems.

We feel very strongly that a rush to judgment on this issue is bad public policy. America should not turn its back on our parents and grandparents.

Mr. Chairman, I include for the RECORD this letter from my fellow Republican State legislators in New Jersey urging opposition to this.

STATE OF NEW JERSEY,
9TH DISTRICT LEGISLATIVE OFFICES,
Forked River, NJ, October 13, 1995.

Re Medicare.

To: Hon. Christopher H. Smith, Hon. Robert E. Andrews, Hon. Marge Roukema, Hon. Robert D. Franks, Hon. Robert G. Torricelli, Hon. Rodney P. Frelinghuysen, Hon. Robert Menendez, Hon. H. James Saxton, Hon. Frank A. LoBiondo, Hon. Frank Pallone, Jr., Hon. William J. Martini, Hon. Donald M. Payne, and Hon. Richard A. Zimmer.

DEAR HOUSE MEMBERS: It is our understanding the House Ways and Means Committee has voted 22-14 to send the Medicare reform package to the House floor next week.

Our 9th District Delegation, which represents the largest Senior Citizen population in New Jersey in Ocean, Burlington and Atlantic counties, issued a letter on September 22, 1995 to House Speaker Newt Gingrich and Senate Majority Leader Bob Dole, urging them to scrap this plan.

Copies of our correspondence to Speaker Gingrich and Senator Dole were conveyed to New Jersey's Congressional Delegation. For your convenience, a second copy of this appeal is enclosed.

Please allow our Delegation this opportunity to reiterate our profound concerns about these cuts in Medicare services for our elderly.

As you are aware, alternative proposals have been offered that would maintain the solvency of the Part A and Part B trust funds until 2006. This \$90 billion compromise package would provide a decade for Congress and the White House to achieve a well-planned and balanced proposal to resolve Medicare's financial problems. This compromise would also provide the opportunity for a bipartisan consensus.

Our Delegation is genuinely sensitive to the difficult decision you face and have had our own feet roasted by the hot coals of Leadership. We feel very strongly that a rush to judgment on this issue is bad public policy. America must never turn its back on our parents and grandparents.

We, respectfully, urge New Jersey's House Members to oppose this \$270 billion Medicare cut. Your leadership, in targeting Medicare fraud, the staggering costs of health care and in building a bridge to the future with the alternative proposals set forth by Reps Sam Gibbons that will provide the chance for Congress to seek a consensus solution to preserve Medicare for our parents and grandparents.

Thank you for your thoughtful attention to this appeal on behalf of the Senior Citizens of Ocean, Burlington and Atlantic counties.

Sincerely,

LEONARD T. CONNORS, JR.,
Senator—9th District.
JEFFREY W. MORAN,
Assemblyman—9th District.
CHRISTOPHER J. CONNORS,
Assemblyman—9th District.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to take the time to remind Members that it is not appropriate to wear or display badges while engaging in debate.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MCCRERY], a valuable member of the Subcommittee on Health.

Mr. MCCRERY. Mr. Chairman, as this chart shows, spending on the Medicare system has skyrocketed since 1970. Here we are today and Members can see, if nothing is done, it goes off the chart.

In 1970, Medicare spent about \$8 billion; in 1994, Medicare spending was about \$165 billion. That is an increase of almost 2,100 percent in just 14 years. In the part B side alone, growth rates have been so rapid that outlays of the program have increased 40 percent per enrollee just in the past 5 years. More alarming is that Medicare spending is projected to explode to over \$350 billion in 2002. Clearly, this is an

unsustainable trend and one that neither seniors nor younger Americans working to support themselves and their families can be asked to underwrite.

The financial crisis in the Medicare program is not a short-term cash flow problem, as the Democrats would like the American people to believe. The trustees of the Medicare trust fund, three of whom are President Clinton's own Cabinet members, said in their report on the HI, or part A, trust fund, "The trust fund fails to meet the trustee's test of long range close actuarial balance by an extremely wide margin." Further, the same trustees said in their report on the SMI trust fund, the part B trust fund, "while in balance on an annual basis, shows a rate of growth of costs which is clearly unsustainable."

The public trustees of the Medicare program were very clear when they said, "The Medicare Program is clearly unsustainable in its present form."

The Democrats in the past have ignored the long-range spending problem of the Medicare Program. Their solution has been to continually raise taxes on working Americans, and that is still their solution.

In the years since the enactment of Medicare, the maximum taxable amount has been raised 23 times. Two years ago, the Congress, then controlled by Democrats, raised taxes, Medicare taxes again. All that did was just put another financial burden on the taxpayers and put off the financial crisis in the trust fund for just a few months. Clearly, raising taxes yet again on the American people is not the answer.

The Medicare Preservation Act, on the other hand, addresses the out-of-control spending in the Medicare Program by opening up the private health care market to the senior population. By harnessing some of the innovative cost effective and high quality private sector health care delivery options, Medicare beneficiaries will not only have a choice in their health care coverage for the first time, but the Government will also be able to rein in out-of-control Medicare spending. It is a win/win situation.

The Republican plan provides security for not only today's seniors but also lays the groundwork for the retirement of my generation, and it does it without increasing the tax burden on working people.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, I thank the gentleman for yielding time to me.

I would like to begin by yielding to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, the previous speaker, under the Gingrich Medicare plan, the hospitals in and around the district of the gentleman from Louisiana [Mr. MCCRERY], will lose \$158 million over the next 7 years under the Gingrich Medicare cut plan.