

the irony of this article which says, the IRS claims that it will cost hundreds of millions of dollars to let families keep more of their own hard-earned money.

So the message to David and to constituents back home is, be assured, we are going to hang in there, we are fighting the good fight, we are going to do what is right by our children; and with your support and with, frankly, the backing of the American people, we will prevail in this battle over the next week, or however long it takes, and we will convince the President to do the right thing and to sign into law a balanced 7-year budget.

I thank the Speaker for his indulgence, and I thank my colleague, Congresswoman SEASTRAND, for joining me for this special order.

□ 1815

MEDICAID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 60 minutes.

Mrs. CLAYTON. Mr. Speaker, the debate over the budget reconciliation is really about people. We heard the other side just talk about the letter they received from their constituent and their grandson. It is about people. The reconciliation is about how we treat people, how we will have certain sectors of our community to survive and how others indeed may suffer. It will talk about whether we will reward those who are the wealthiest in our society and what sacrifices all of us must make in order to have a balanced budget.

So the balanced budget is not about programs or not just to balance the budget for balance sake, but it is indeed to balance the budget for the financial security of this country, so it can respond to the future of this country as well as respond to the current responsibilities of this country.

The question really is, should we treat Americans fairly or should we treat those who have great influence with due deference? Do we treat those that are wealthy with new respect or should we treat everybody right? Should those who have influence and who have wealth have the lion's share of the \$245 billion worth of tax cuts or should some of those cuts also be shared by those who make \$28,000 or less?

Those are the questions I think that should be a part of this debate, rather than trying to rationalize a budget proposal that balances the budget on the backs of the poor, the elderly, students, and the disabled in our community.

We should not put poor families, particularly those who are elderly, children and the disabled, under great stress. We should make sure that they have opportunities for the future so they can be contributing members of the society as anyone else.

Medicaid emphasizes that perhaps better than anything else. If we look

under Medicaid, we will see that poor families, the elderly, children, particularly the disabled indeed will pay great cost and make substantial sacrifice for the benefit of the wealthiest of those, to do what, to give wealthiest Americans a tax break.

When we understand that Medicaid really is often the only health care that some of our poorest elderly will have, because Medicare spends out very quickly, many of our elderly who need long-term health care will not be able to get that unless indeed they had Medicaid as a part of that.

The Republicans say that their plan does not cut Medicaid, that it only slows the growth by 5 percent. Well, when you examine that growth over a period of time, Medicaid costs have been going up about 10 percent, in part because a large number of people are eligible for Medicaid.

Now, I ask you, if you cut that by 5 percent, which of those eligible people who now will become eligible do you say, I no longer serve? They say it is not a cut, it is just limiting the growth. Well, if you have 5 percent less than you would have before, but yet you are going to have 10- to 15-percent more people, tell me who then indeed will not be served? Who do you choose? How do we make choices between which American will be served and which American is not served?

If we must make sacrifices, and I contend that we must make sacrifices if indeed we are going to have a balanced budget, why should that sacrifice not be a balanced one? The one certainly the Republicans have put forth, particularly on Medicaid, is not that way.

Understand their program well, now. This will turn back this program to the States as a block grant. Why? They say because the States, they are closest to the people and they know best how to treat the citizens of that State.

I share with you, I am a former county commissioner and I think I treated my constituents, and persons I had responsibility for very well, chaired my board and know the responsibilities that I had as a Chair trying to match the funds of Medicaid. But I can tell you with no reservation whatsoever, I would not have been able to provide the kind of help that we need at the local level unless the Federal Government was there.

Further, I contend there is a responsibility of the American people that the Federal Government has in providing health care to those who are most vulnerable. Furthermore, the States are in no position financially to take this up.

People are worried in my State of North Carolina. I refer, Mr. Speaker, and enter into the RECORD a news article that is from the News Observer this week, which is a local paper in my district:

[From the News Observer]

MEDICAID CHANGES FRIGHTEN FAMILIES

(By John Wagner)

Before long, North Carolina lawmakers may have to decide whether the state can continue to care for families like Deborah Altice's the way it does now.

Since Altice's husband was disabled by an auto accident a decade ago, Medicaid—the state-run health program for the poor—has paid for his medicine and numerous back operations. It has covered doctor's bills for the Zebulon couple's 9-year-old son and 7-year-old daughter. And just last month, Medicaid paid for the delivery of Altice's baby boy.

"We'd be in a pretty desperate situation without it," Altice says of Medicaid. "We'd have bills coming in, and there'd be no way we could afford to pay them."

Altice and her family are among tens of thousands of poor, disabled and elderly North Carolinians who have benefited during the last decade from a dramatic expansion of the state's Medicaid program.

The number of residents eligible for assistance has tripled since 1985. And spending on the program has grown even more rapidly—from about \$700 million a decade ago to a projected \$3.5 billion this year.

That's all about to change.

Under Congress' plan to balance the federal budget, North Carolina stands to lose more than a quarter of the Medicaid dollars it had expected to get from Washington by the year 2002. By one estimate, only six other states would lose a greater percentage of their federal funds.

President Clinton has pledged to fight Congress' cutbacks, but an alternative Medicaid plan being crafted by the White House curbs spending significantly as well.

As a result, North Carolina lawmakers are bracing for what many fear will be ugly fights at the General Assembly in coming years, with advocates for the poor, elderly and disabled all pitted against one another to maintain their share of the state's Medicaid spending.

"We're going to have to make some very difficult decisions," says state Sen. Roy Cooper, a Rocky Mount Democrat. "It will be a huge task, no doubt about it."

Cooper is one of a dozen lawmakers assigned to a study group on Medicaid that is scheduled to meet for the first time Tuesday.

The wide-ranging program they'll begin scrutinizing now serves more than 835,000 people—nearly one in seven North Carolina residents. Recipients range from poor families like Altice's to thousands of nursing-home residents to disabled folks like Dan Stanford, who benefits from a program that just started receiving Medicaid funding this year.

A Cary resident, Stanford, 26, is mentally retarded, autistic, deaf and legally blind. Medicaid pays for an around-the-clock assistant in his apartment to help him and a roommate with basic living skills such as getting dressed, making their beds and taking medication.

The cost to taxpayers for Stanford's help is about \$65,000 a year.

Stanford's parents say they're worried that the state will no longer be able to afford their son's services—services that they say have made his life more meaningful.

"We feel really helpless," says Dan's father, Bill Stanford. "We're not very optimistic about our chances."

Much of the tremendous growth in North Carolina's Medicaid spending has been fueled by actions state lawmakers have taken to extend coverage to new groups of people.

Before 1988, for example, Medicaid covered pregnant women only if they were on welfare

or disabled. Today, all pregnant women in families with an income up to almost twice the poverty level are eligible for prenatal care and other assistance.

The federal government sets general guidelines for states' Medicaid programs and provides much of the funding—almost two-thirds of North Carolina's spending. But states have had significant latitude to determine who is covered and what benefits they receive.

Under the bill passed by Congress, federal spending on Medicaid would continue to grow each year—but not nearly enough to accommodate all the new people that state planners anticipate would qualify for benefits under existing criteria.

As a result, North Carolina officials predict that over the next seven years the state will be more than \$4 billion short of what it needs to pay the bills of all its Medicaid recipients. Other policy analysts think the gap could be even greater.

The blow to the state would be relatively soft at first, but grow increasingly painful over the next six years.

Some legislators, such as Cooper, say they are open to spending more state money to make up for the drop-off in federal funds. But given the magnitude of cutbacks being talked about in Washington, few people believe it will be realistic for the state to bridge the entire gap.

At this point, no one can say for sure how much money state lawmakers will have to work with, where they'll try to constrain spending—or who will be hurt most by their actions.

"What's seems certain is there's going to be less money, and something has to give," says Craig Souza, a lobbyist for the nursing-home industry.

As they look for ways to hold down spending, legislators will have relatively few strategies to pursue, none of them attractive.

Here are some options they are likely to consider:

Backtracking on expansions in eligibility that they approved in recent years.

Those decisions will be especially difficult because, in many cases, the wider coverage has produced measurable gains in health care. North Carolina's infant mortality rate was among the worst in the nation in 1988. But it has dropped considerably since lawmakers made it easier for low-income women to get prenatal care through Medicaid.

Also, North Carolina has only recently extended benefits to some groups that other states covered long ago. In 1994, for example, the legislature voted to offer Medicaid coverage to recipients of Supplemental Security Income, a federal program that provides monthly payments to low-income elderly, blind and disabled people. Most states have been doing that since the mid-1970s.

Lowering the state's payments to medical providers.

In many cases, that strategy poses risks. The state's nursing homes, for example, rely on Medicaid payments for 73 percent their revenue. Souza, the industry lobbyist, says most homes would be forced to cut staff if the state reduces the amount it gives them to care for Medicaid patients. And critics say most nursing homes already are understaffed.

Pushing more of the poor into managed-care programs, which limit their choice of doctors.

The state has had a small managed-care program since 1986. Analysts say expanding it would save some money. But the biggest factor behind the state's skyrocketing Medicaid spending has not been the rising cost of care, but the number of new people eligible for coverage. In fact, since 1988, the money

spent, on average, per Medicaid patient has grown more slowly in North Carolina than in all but nine other states.

Meanwhile, the number of low-income people in need of medical help in the state continues to grow faster than in all but a few other states—and that's one reason why North Carolina would get hit so hard under Congress' plan.

For example, North Carolina's elderly population is expected to double by the year 2020. Today, many of the state's senior citizens eventually move to nursing home, and once their savings run out, Medicaid picks up a large part of the cost.

In the years ahead, state lawmakers will have an increasingly difficult task weighing that need against all the services that Medicaid provides to people like Deborah Altice and Dan Stanford.

"There will have to be some cuts," says Gov. Jim Hunt. "The worst thing I could do is to give the impression that we can somehow make this all up. We can't. But we sure will look at every way we can to try to ease this burden and be fair to our people."

Mrs. CLAYTON. This article says, and I quote from that, Deborah Altice, the wife of a disabled husband who has both a 9-year-old son and 7-year-old daughter, and she says, "I don't know what I would do without Medicaid. I don't know. My husband's been now disabled for almost 10 years." And Medicaid has taken care of her husband's operation, provides for her 9-year-old son and her 7-year-old daughter. She says we would be devastated, indeed, if we did not have Medicaid.

This is about people, not really about numbers. We may sound pious up here, as if we have some theory that is going to save America, but at the sacrifice of people and particularly those who are the most vulnerable in our society.

Again if the Republican plan was passed as they had proposed, in my State alone by the year 2002 they would have lost one-fourth of the Medicaid dollars that they were expected to receive. Again, one might say, well, that is not a reduction. That is simply limiting the growth.

Well, I would have you understand how the growth has occurred in my State. Again referring to the same news article, the growth in my State, it has grown in terms of percentage, it has grown from 1991 to 1995 by some 14 percent in the eligibility.

Now you say you cut this by 5 percent, and this is not a cut. Excuse me? Who is not understanding the realities or the consequences of our action? Whether you meant that or not, what will happen to this family? It would mean, if not this family, perhaps another family would not have that opportunity for health care.

Again under the proposed plan which the President vetoed yesterday, we would have seen that families of nursing home patients would be put under great stress because they now must indeed find how do they make up that average cost of a nursing home, which costs some \$38,000 in America and about \$32,000 in my State. Working families in my State, those who must contend with raising their children, who again the Republicans pay great homage to.

I am a mother of four adult children, also a mother of three grandchildren, and want for them the very prosperity that I have been blessed to have. But I also want for those who are disabled the same thing I want for my children. Why should I want any less for my children than I would want for the Altice family, who happen to have a disabled husband who is not able to work and a 9-year-old son and a 7-year-old daughter?

Again, indeed if we put the stress that is imposed, we now must find that families of senior citizens would be put at liability in securing the cost of a nursing home. A nursing home recipient who now receives on average about 72 percent of their care from Medicaid would find themselves at a decisive disadvantage.

Medicaid is an important program, a very, very important program. It provides the only health care for poor families. Some 36 million families, including women, children, the elderly and the disabled only know of their health care coming from Medicaid.

On the block grant to States, it says that we will make an entitlement to States but not an entitlement to those 36 million people. What is this Government about? "We the people" means what? To the State, to us, as I was in the local government? It really means that we should be about serving the people well, all of the people, not just some, all of the people.

The block grant will end that entitlement to those who are now eligible under that.

This is the wrong way to go. The Government needs to keep this entitlement. There are some programs the Government should, indeed only the Federal Government is in the position to make that kind of financial commitment. To turn this back to the States under some disguise of flexibility or trusting the State is doing the State a disservice.

I can tell you in North Carolina they will not be able to make up that gap. I have county commissioners now wondering will they have to raise their property taxes in order to make up that deficit that will surely occur if the plan indeed is anywhere like the plan that the President has just vetoed. I say the President should have vetoed it, because he understood the American family would be put at great disadvantage and insecurity financially if indeed that plan had gone forth.

Let me just share in terms of the costs of Medicaid. Where do those dollars go? We think of Medicaid, and I have said and I will say it again, that Medicaid is the only program that many poor and poor families will receive. In North Carolina, while poor families and their children account for almost two-thirds of the people eligible for Medicaid, they receive only about one-third of the State's Medicaid dollars. Care for the elderly and the disabled tends to be more expensive.

So indeed Medicaid is not only for the poor, it is for the elderly as well as for those who are disabled. To cut this program drastically or to put families of nursing home patients in distress or to block-grant this program is the wrong way.

Mr. Speaker, I started my remarks earlier to say that this debate was about people. It was about those we cared about, and it was about shared sacrifice.

I will end my remarks to say again, as we go into the next 5, 6, or 10 days, this debate, particularly around Medicaid, I urge my colleagues to consider the opportunity they have to make this program work.

Let me just further say, we ought to spend our money wisely even under Medicaid. There is a lot of demagogery that goes on on this floor about teenage pregnancy, a lot of demagogery about we cannot sustain a continuation of 10- and 12- and 15-year-old kids having children. I agree with that. We should. Demagogery is so easy, but actually coming to a solution or having a reasonable plan is far more difficult.

One way we could begin to think of this is using the Medicaid dollars to assist teenagers before they get pregnant and prevention of pregnancy, teaching them counseling and a variety of activities and techniques that are proven. If we enact it, we could use just a little of the Medicaid dollars and that could go a substantial way to reducing the Medicaid dollars we are now using.

One could use \$1,000 in prevention and possibly save \$10,000 in the care. Prevention and preventing pregnancy, unwanted pregnancy, particularly in teenagers, would mean not only that young teenager whose life is no longer productive, contributing to society, but also perhaps a troubled birth which would cause the Government to pay.

We pay for that teenager, mind you. Once she becomes pregnant, we will pay as much probably as \$10,000. Indeed, if that young teenager has a troubled pregnancy where the young baby is not safe or underweight, that could be in thousands and tens of thousands of dollars. It makes no sense. It is unwise.

We should use our money wisely and use our money fairly. This debate about Medicaid is about what priorities we will set as a governing body and as a Congress as we meet this debate. I urge my colleagues to go forth in this but go forth with this in a reasonable way.

BOSNIA AND THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. GANSKE] is recognized for 60 minutes.

Mr. GANSKE. Mr. Speaker, we are facing today debate on two big issues, the two B's, the two great B's, the budget and Bosnia. Since we have had some debate tonight on the budget, let me just spend a few minutes before I move on to the second B, Bosnia.

There has been a lot of misperception about what exactly is in the budget that Congress has passed. But let me give you the facts.

In 1995, we spend for Medicare \$178 billion. This will go up every year for the next 7 years, so that by the year 2002 we will spend \$290 billion for Medicare. This is an increase by anyone's calculations.

In the last 7 years, we have spent \$926 billion on Medicare. In the next 7 years, we will spend \$1.6 trillion. This is at twice the rate of inflation.

Just a couple of years ago, President Clinton, in speaking to the country about his health care plan at that time, said anything goes up at twice the rate of inflation is not a cut.

□ 1830

Let us look at some other areas. Medicaid, 1995, we have spent \$90 billion. This will increase every year for the next 7 years so that by the year 2002 we will be spending \$127 billion. In the last 7 years, for Medicaid, we have spent \$444 billion, and we propose increasing that to \$770 billion in the next 7 years. That is an increase of \$330 billion.

SHOULD WE SEND TROOPS TO BOSNIA?

But let me get to the second issue, the issue of Bosnia. Let me begin with the basic issue. Should we or should we not put United States troops into Bosnia? Let us look at the various arguments President Clinton has laid before the public and why I believe they are flawed.

I have given the President the benefit of the doubt. I have listened carefully to United States negotiators, Richard Holbrooke and General Clark, and have discussed this issue with several Congressmen who have just returned from Bosnia. I am indebted to Charles Krauthammer's testimony on Bosnia recently before the House Committee on National Security, and to Michael Glenon's article on foreign affairs a few years ago on the role of Congress and war. Despite Mr. Holbrooke's protestations, the deal calls for Bosnia and Herzegovina to be partitioned by a 2-mile wide demilitarized zone, a DMZ that NATO will patrol. There will be a Croat-Moslem coalition and a Serb republic with a weak central government for show.

The NATO troops can kill anyone who stands in the way of separation or is presumed to constitute a threat. Approximately 60,000 troops, one-third English, one-third French, and one-third United States troops, will be on the ground. As many as 37,000 United States troops may ultimately be involved, and American reservists will be part of the operation, including some from my home State of Iowa. Up to one-third of current NATO forces may be committed to this venture.

Let us examine the reasons that President Clinton, in his speech to the American people, gave for putting the lives of American troops into harm's way.

First, in comparing the current situation in Sarajevo to World War I, President Clinton said, "We must never go down the road of isolationism again." Now to argue that if we do not put troops on the ground into Bosnia will lead to United States isolationism ignores the facts. The United States is robustly internationalist today as compared to the Smooth-Hawley days of protectionism. Look at United States involvement in GATT, United States involvement in NAFTA, the \$20 billion Mexico bailout or the Asia Pacific Economic Cooperation Forum. Indeed, many would argue that the United States has been too internationalist in areas such as the 1993 Somalia fiasco or Lebanon in 1982.

Was the United States not involved in Grenada in 1983, in Panama in 1989, and in the Persian Gulf in 1991? How can one talk about isolationism when we have troops in Haiti?

Second, President Clinton invoked the moral imperative; sending United States troops to Bosnia is "the right thing to do." It is true that for 3 years atrocities have been committed by both sides in a terrible civil war. Television has brought these horrors into our living rooms just as it brought the horrors of Vietnam into our homes 25 years ago. Our hearts go out to the victims, and compassion cries out for action. Yet, wise leadership calls for more than compassion in a world torn by strife in a dozen or more places around the Earth.

What is the difference between Bosnia and Rwanda, Bosnia and Liberia or the Sudan, Bosnia and Peru, Bosnia and Sri Lanka?

I was recently in Guatemala, where an insurrection has gone on for years. There are victims in all of these places that tug at our hearts. How do we decide where to put American troops at risk?

I believe that the American people support the use of troops overseas for very specific purposes only, to honor our treaties, to protect the lives of Americans overseas, to defend our country, and to protect our national security and interests.

This brings us to the third part of President Clinton's argument, "Generations of Americans have understood that Europe's freedom and stability is vital to our own national security. That is why we fought two wars in Europe." Basically, President Clinton is resurrecting the domino theory for the Balkans.

I ask, what evidence is there for the spread of this war? This civil war has been going on for 3 years, and there is no evidence for its spread. This is not 1914. The situation is totally different. There is no European interest in the Balkans other than the major powers staying out of a confrontation with each other.

Fourth, the President says, "As NATO's leader and the primary broker of the peace agreement, the United States must be an essential part of the