

previous question, "nay"; and roll call No. 525, agreeing to the resolution, "aye".

□ 2015

THE MOST WANTED POSTER

The SPEAKER pro tempore. (Mr. McINNIS). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, recently certain elements of the Republican Party published a so-called "Wanted" poster, wherein twenty-eight Democratic Members of Congress were identified as targets.

This callous, insensitive, and abhorrent act is offensive, repulsive, and ugly.

I take this opportunity to use these strong terms because the "Wanted" poster targeted a particular group of Members.

Twenty-two of the twenty-eight Democrats are African-American, Hispanic, Jewish or female.

Apart from those classes of individuals, there was no other rhyme, reason or rational relationship to reasonably put these Members in a group—refer to them as "Wanted"—and lace the poster with language such as aiding and abetting—suggesting that these public servants should be associated with criminal allegations.

I was not on the list, Mr. Speaker, but this act was insulting to me as an American and should be insulting to every American who favors freedom, democracy and the way we function as a Government and as a people.

More than an affront, this act was a very sad deed.

Congressman PAXON claimed that the faces on the "Wanted" poster were chosen because of their voting records.

Another spokesperson claimed that the faces were chosen because of their geographic location.

Still another spokesperson claimed the faces were chosen because they were from areas deemed winnable by Republican strategists.

The fact is that it would appear that little or no thought was given to this disgusting act.

Perhaps this act was driven by the same attitude that created Willie Horton during a recent Presidential campaign.

The fact is that among the faces on the "Wanted" poster are African-Americans, Hispanics, Jewish Americans and women who won their last elections with as much as three-fourths of the vote in their districts.

Few of the faces represent districts that could even remotely be considered politically vulnerable.

This poster appealed to the worse kind of sentiment we can imagine. It appealed to emotions that brought us bull dogs and billy clubs in past years.

And, it appealed to emotions that have brought us Oklahoma City and

those organized band of thugs whose purpose is to deny to some the rights that they demand for themselves.

Again, Mr. Speaker, these are strong words that I use—words that I do not ordinarily use on the floor of the House.

But, unless we speak out against this kind of dangerous and demeaning act, none of us will be able to enjoy the fruits of this democracy.

I condemn this condemnable act in the strongest of terms.

WE WANT TO MAKE MEDICARE A BETTER SYSTEM

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

Mr. WATTS of Oklahoma. Mr. Speaker, we are debating here on the floor of the House or we are having discussion going on concerning Medicare, and I have got a couple of charts here that I want to share.

I want to read, my colleagues, a quote. Today Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation, not three times the rate of inflation. But this quote says the person that made this statement said that we are proposing to let it go up at two times the rate of inflation rather than three times the rate of inflation. That is not a Medicare or Medicaid cut. So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid and a reduction in the rate of growth.

President Clinton, 1993.

I find that it is interesting, Mr. Speaker, that when we talk about Medicare and Medicaid it seems as though when Republicans talk about Medicaid and Medicare and we are slowing down the rate of growth, it seems that that is a cut. However, when the President talk about slowing down the growth in Medicare or Medicaid, then that seems to be an increase.

I want to share with you a chart here from 1995 through the year 2002 and just wanted to illustrate what the dollar figures are concerning the Medicare spending and the plan that is before America. In 1995, we will spend \$178.2 billion. Now, Mr. Speaker, that is per beneficiary, per month, about \$401. In 1996, we will spend 191 billion; 1997, 201.8 billion; 1998, 213.8 billion; 1999, 226.3 billion; the year 2000, 238.9 billion; the year 2001, 255.4 billion; and in the year 2002, 274.1 billion.

Now the per beneficiary/per month, dollar amount goes from \$401 a month in the year 1995 to the year 2002, going to \$561 a month per beneficiary, and I ask the American people, "Where is the cut?"

Mr. Speaker, the Medicare Board of Trustees, and three of these trustees are—six total—three of these trustees were appointed by the President of the

United States, his current administration, and those six trustees signed off on the annual report of the Medicare Board of Trustees report that said that by the year 1996 that Medicare would be broken, by the year 2002 Medicare would be bankrupt, if we do not deal with it.

Now that report was consistent in 1994, and it is consistent in 1995. That was the conclusion that, if we do not do something about Medicare, that it would be bankrupt by the year 2002.

So, in the President's plan he refused to deal with Medicare. The Republicans we are choosing to deal with it so we can save Medicare for our children, for our children's children, for future generations. We know that there are people today that depend on Medicare, and, if we let this go unnoticed and do not choose to deal with this, we will have many, many people in this country, especially the senior citizens, that will be crippled tremendously if we do nothing about this.

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

Mr. WATTS of Oklahoma. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, I am very happy to stand here and to commend the gentleman for bringing to the attention of the American people the statistics that you have offered here this evening. We have been struggling for a long time, and you are helping us now, struggling to get the message across to people to be, contrary to the propaganda that we have heard about the cuts in Medicare and Medicaid, and the gentleman has gone a long way in dispelling the doubts that are out in the American public. I wanted to commend him for that.

Mr. WATTS of Oklahoma. There is a hundred billion dollars in the Medicare system that was spend in the year 1994, and 44 billion of that was fraud. We want to cut the fraud. We want to made Medicare a better system. We want to preserve it for our children, our children's children, for the future of America.

THE STATUS OF THE MEDICARE PROGRAM IN THE UNITED STATES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized for 40 minutes and the gentleman from Florida [Mr. BILIRAKIS] will be recognized for 20 minutes as the designees of the majority leader.

Mr. HOKE. Mr. Speaker, tonight during the time that we have allotted in the leadership hour for special orders I have asked some of my colleagues to help me talk about the status of the Medicare program in the United States and to try to elucidate for the American people exactly where we are at, where we are going, what our responsibilities are and how we are going to meet those responsibilities, and I am going to, before I yield any time to my

good friends, I want to read a little bit from this report.

This report, Mr. Speaker, is called the Status of the Social Security and Medicare Programs. It is a summary of the 1995 annual reports of the Social Security and Medicare Board of Trustees. It is a very important report because what it does is it forms the basis of all the problems that we have got with Medicare in the U.S., and frankly I urge all Americans to call their representatives at (202) 224-3121 and ask for a copy of this report. Particularly senior citizens will be interested in this.

Let me read to you a little bit about it. It is called A Message to the Public. The Federal Hospital Insurance HI Trust Fund which pays inpatient hospital expenses will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The trustees believe that prompt, effective and decisive action is necessary. This is signed by six trustees: Robert Rubin, Secretary of the Treasury; Robert Reich, Secretary of Labor; Donna Shalala, Secretary of Health and Human Services; Shirley Chader, the Commissioner of Social Security; Stanford Ross and David Walker, both trustees.

Now what are the trust funds? There are four trust funds that have been established by law to finance Social Security and Medicare. For Medicare, the Hospital Insurance Trust Fund HI pays for hospital and related care. This is often called part A, for people that are over 65 years old and workers who are disabled. The Federal Supplementary Medical Insurance Trust Fund; this is the SMI Fund, pays for physician and outpatient services, often called part B, for people that are 65 and over and workers who are disabled.

Who exactly are the board of trustees? These are six people who serve as trustees on the Social Security and Medicare Boards, Secretary of the Treasury, Secretary of Labor, Secretary of Health and Human Services, the Commissioner of Social Security and two members appointed by the President and confirmed by the Senate to represent the public. The Boards are required by law to report to the Congress each year on the operation of the trust funds during the preceding years and the projected financial status for future years.

So this report is all about the financial status of Medicare in the United States of America in the future, and, as you will see, they have various scenarios that they are required to follow to let us know exactly what the status will be.

How are the trust funds financed? Well, the trust funds are financed in different ways, but the HI Fund, the hospital insurance fund that is part A, is financed by a tax on earnings. It is unlimited. Beginning with 1994 the taxes are paid on total earnings with no ceiling at 1.45 percent. The part B program is financed in a way that is

similar to yearly renewable term insurance, health term insurance. Participants pay premiums that in 1994 covered about 30 percent of the costs. That means the other 70 percent of the cost is covered by the taxpayers out of the general fund of the United States.

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The rest is paid for by the Federal Government.

The 1995 monthly premium is \$46.10 per month.

How is the financial status of the trust funds tested? Several tests, based on the intermediate assumptions, are used to review the financial status of the trust funds. There is a short-range test, a long-range test, and a future outlook test.

And, finally, although the trust fund ratio line for the part A fund is over the 100 percent level at the beginning of the 10-year period, it falls below that level in 1995, and, as a result, it does not meet the short-range test.

Under the intermediate assumptions, the projected year of exhaustion for the HI Trust Fund is 2002. Under more adverse conditions, as in the high-cost alternative, it could be as soon as 2001.

The cost rate for the part A trust fund is higher than the income rate. We are spending more than we are taking in by rapidly growing amounts throughout the 75-year projection period, and by the end of the period the cost rate is projected to be roughly three times greater than the income rate.

The conclusion is that the status of the Medicare program can be summarized by looking at the results of the tests used to evaluate the financial status of the trust funds and the number of years before each trust fund is expected to be exhausted under the intermediate assumptions.

Here are the conclusions, and my colleagues will not be able to see this, but what they say is that the Social Security Trust Fund will not be exhausted for 36 years. At that point, it will be exhausted, in 36 years; the Disability Insurance Trust Fund, in 21 years; the combined trust funds in 35 years of those two. But the Hospital Insurance, the Part A Trust Fund, will be exhausted in seven years.

It will be able—and here are the written conclusions. “The Part A trust fund will be able to pay benefits for only about 7 years and is severely out of actuarial balance. Because of the magnitude of the projected actuarial deficit in the program and the high probability that the trust fund will be exhausted just after the turn of the century, the trustees urge the Congress to take additional actions designed to control Part A program costs and to address the projected financial imbalance in both the short range and the long range.”

This is the section that is called, “A Message from the Public Trustees: The Need for Action.”

“During the past 5 years, there has been a trend of deterioration in the

long-range financial condition of the Medicare programs and an acceleration in the projected dates of exhaustion in the related trust funds, but to some extent the increasingly adverse projections have come from unforeseen events and from the absence of prompt action in response to clear warnings that changes are necessary.

“These adverse trends can be expected to continue and indicate the possibility of a future retirement crisis as the U.S. population begins to age rapidly. We urge that concerted action be taken promptly to address the critical public policy issues raised by the financing projections for these programs.

“We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term.”

This is from three members of the President's Cabinet, the Commissioner of Social Security, and two other people nominated, appointed, by the President and confirmed by the Senate. Let me repeat it.

We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term. The focus should be on making Medicare itself sustainable, making it compatible with Social Security and making both Social Security and Medicare financially sound in the long term.

And, finally, we strongly recommend that the crisis presented by the financial condition of the Medicare trust funds be urgently addressed on a comprehensive basis, including a review of the programs' financing methods, benefit provisions and delivery mechanisms. Various groups should be consulted and reform plans developed that will not be disruptive to the beneficiaries, will be fair to current taxpayers who will in the future become beneficiaries, and will be compatible with government finances overall. We strongly recommend that the crisis represented by the financial condition of the trust funds be urgently addressed on a comprehensive basis.

These are the words of three members of the President's Cabinet, the Commissioner of Social Security, and two other individuals appointed by the President and confirmed by the Senate.

Mr. GEKAS. Mr. Speaker, would the gentleman yield?

Mr. HOKE. I would be happy to yield to the gentleman from Pennsylvania.

Mr. GEKAS. Just as I expressed to the gentleman from Oklahoma for taking the floor and telling the American people the truth about the situation in Medicare, I want to commend the gentleman for recapitulating this issue this evening.

Now, let us get this straight. The President of the United States says that Medicare, and the positions that he has undertaken with Medicare, do not constitute cuts in Medicare. Rather, they are slowing the increases of expenditures in Medicare under his plan. That is No. 1.

Mr. HOKE. That is correct. That is exactly correct. He has said very clearly that he is not, we are not, nobody

is—the Republicans are not suggesting cuts in Medicare but, in fact, slowing the rate of growth in Medicare.

Mr. GEKAS. So the President says that and the gentleman from Oklahoma has indicated the Republican plan says that, that we are not interested in cutting Medicare. Nobody ever threatened to do that, but, rather, we have to fix the problem, and one of the ways to do it is to recognize that we must slow the growth of Medicare.

OK, so now we have the President of the United States and we have the Republicans in the House of Representatives saying the same thing.

Now, did not the President—I ask the gentleman from Ohio, did not the President say all these things way in advance of the report to which the gentleman has referred this evening from the trustees?

Mr. HOKE. That is correct.

Mr. GEKAS. So now we have the confirmation of what could be determined by the Democrats as a Republican political ploy to say these things, or even if they want to counter their own President who said these very same things, but now how do the Democrats, who are opposing all of these programs of the Republicans, how are they describing the report of the trustees? I have not heard much.

Mr. HOKE. I have not heard them talk much about the report of the trustees. Apparently, the Democrats think that they can score political gain by misrepresenting or distorting or in some way not telling the truth about Medicare and the problem.

Mr. KINGSTON. Will the gentleman yield?

Mr. HOKE. I would be happy to yield to the gentleman.

Mr. KINGSTON. Does the gentleman have the Democrat plan, the Gephardt plan, or the Daschle plan or the Clinton plan?

Mr. HOKE. Yes, I do. Is that the plan you are referring to?

Mr. KINGSTON. That is the plan I have heard that is out there, and that, we have laughed about this for a long time, and today there still has not been a plan offered to save or protect Medicare by the administration, even though it is the administration who reports it is going broke.

Mr. HOKE. I think it is important that we start out with the fundamental understanding, the premise that there is a crisis. We did not make up the crisis. We did not create the crisis. We have not been running this place. But the fact is, there is a crisis. It is right here, honestly.

I urge all senior citizens to call up their representative. They can get a copy of this at (202) 225-3121, (202) 224-3121, I think they both work, and ask for a copy. It lays out the crisis. The crisis is real.

It seems to me, Mr. KINGSTON, that it would be grossly irresponsible for elected Members of Congress not to do something about a financial crisis that is about to affect—and I mean about—

in either 6 or 7 years, depending on which scenario one buys into from their report, it is about to engulf senior citizens.

Mrs. SMITH of Washington. Will the gentleman yield?

Mr. HOKE. I would be happy to yield to the gentlewoman from Washington.

Mrs. SMITH of Washington. I listened to the debate, the one today and the one I have been hearing on and off all day. It seems like every time someone stands up, they say, The sky is falling.

I want people to know out there who are relying on Medicare that your bills are going to be paid tomorrow and they are going to be paid the next week and do not worry. A lot of the scare tactics are to scare you into reacting.

I do know that if we do not fix this system that there will come a time where we cannot pay bills. That same report states the law. This trust fund was set up for Medicare to be a trust fund when the money runs out; it cannot pay any more bills. There is enough money there and there is enough money coming in from people's payroll checks, that is where the money comes into, then it pays your medical bills. There is enough money now.

It goes into a problem next year, folks, and we can draw to that trust fund for awhile, but just like your savings account that is giving you interest each month, you are maybe living off of the interest, when you get into the principal, it can run out. And what is going to happen is it is going to run out.

Now, do not let anybody scare you, but do what seniors are doing all over this Nation, come and tell us how. You have told us some things that are right. Fraud and abuse is right. I am finding terrible things in the system. But I do not want to also tell you that it is very—

The SPEAKER pro tempore. Gentlewoman shall sustain. Members are reminded of the policy of the floor that when you address the House, you are to address Members of the House. You are not to address the viewing audience. Just a gentle reminder. The gentlewoman may proceed.

Mr. HOKE. Will the gentlewoman yield for a moment?

Mrs. SMITH of Washington. Certainly.

Mr. HOKE. I think what the gentlewoman is talking about with respect to the exhaustion of the trust funds is shown pretty clearly by this chart.

As the gentlewoman can see, we have got about \$150 billion in the Part A trust fund right now. This is what I was just reading about earlier. By the year 2002 or 2001, depending again on the scenario, here is the zero line. You can see that we are depleting that trust fund and that it goes down to zero. And then 2003, 2004, these are according again to the projections of the annual report, and this chart is directly out of that annual report. You

can see that we are going to run out of money. We are going to exhaust the funds.

And one of the things you will hear claim is that somehow tax increases will have some impact on this trust fund. The reality is, it will have no impact whatsoever because the tax on earnings that funds the Part A Trust Fund at 1.45 percent of the employee's earnings is set. It is fixed. And nothing short of changing that law will make any difference.

So it does not matter if we increase taxes, income taxes, or decrease them. It has no effect on the trust fund.

Mr. FOX of Pennsylvania. Will the gentleman yield?

Mr. HOKE. Be happy to.

Mr. FOX of Pennsylvania. Congressman HOKE, I think the gentleman is on target with a very important reality here as well. We know from the bipartisan task force, even the President's secretaries of different agencies, that Medicare will run out of money in 7 years. But we in the Republican majority of Congress are not going to let the money run out.

As Congresswoman SMITH had stated, we are going to look for the initiatives from within the Congress and also the public. I have formed, and many other Congressmen on our side of the aisle and others, a Medicare Preservation Task Force. The fact is that health care costs generally are going up 4 percent a year, but Medicare is going up 10 to 12 percent a year, and part of that is the fraud.

Mr. HOKE. May I interrupt for a minute because I think that that fact the gentleman just mentioned really gives room for a tremendous amount of hope with respect to the ability to save Medicare. Because what are we trying to do as Republicans? We are trying to save, we are trying to preserve, protect, and in fact improve it, make it even better.

Mr. FOX of Pennsylvania. Exactly.

Mr. HOKE. If the gentleman is telling me that in the private sector we have got health insurance—I am sorry, health care inflation at 4.5 percent, 4 percent, and in the public sector we are at over 10.5 percent, it seems to me that we ought to be able to follow the lead of the private sector here and get that inflation down.

Now, what we are doing is terms of our own projections?

Mr. FOX of Pennsylvania. The fact is, if the gentleman would yield, \$44 billion, billion, that is, with a B, \$44 billion is in waste, fraud, and abuse between Medicaid and Medicare. Now, if we can attack that problem and make the changes within this House and the Senate, then we will go a long way toward preserving Medicare and making sure we give the kind of health care for our seniors that we want to give.

Mr. KINGSTON. If the gentleman would yield, the gentleman knows on waste, fraud, and abuse, most of it probably—I am not sure what the breakdown is—actually Medicare legal,

meaning if a person, and this happened in the district I represent, that a woman needed her stitches removed, an elderly woman on Medicare, and an ambulance—because the transportation was provided, an ambulance picked her up at her house and instead of taking her to a hospital in her town, took her to a hospital in another town, and instead of billing \$200, billed about \$1,200, and Medicare pays that.

It is legal, and it is never argued, it is never checked, it is never questioned. And one of the things that we think would help protect and preserve Medicare is to crack down on those kinds of just absolutely wasteful practices that show that people running certain businesses want to take advantage of Medicare, have the ability, and we need to stop that.

Mrs. SMITH of Washington. Will the gentleman yield?

Mr. KINGSTON. Yes.

Mrs. SMITH of Washington. The task force that we had in our district, we have a task force and then we had 900 people come in and talk to us about Medicare so far, elderly people. They have come up with one overriding thing that is a problem, and that is their ability to read their bills. And they find that when they can figure out what is going on, they are their own best watchdogs.

So I think one of the best things that has come to me from them is better readable billing. Now, that is pretty simple, and if they could be their own watchdogs, they could look for mistakes, duplicate billing, and sometimes some really gross things.

I just found one, in looking at one of the reports, of a man who is dying who had \$8,000 in therapy that would never apply to a man in his condition billed to him in 1 month. Now, that are things like that going on, and yet, when people cannot understand their own bills, then they have got a problem. Sure does seem that that is a commonsense thing that the people have brought to us that we should be able to deal with.

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Mr. HOKE. Certainly one of the things that we are looking at and considering is to give beneficiaries personal incentives to scrutinize those bills and to ferret out themselves the way that they would look at a bill from the dry cleaner or look at a bill from the phone company.

Mrs. SMITH of Washington. Have you tried to look at those bills? I challenge you to take a look at a hospital bill billed under Medicare. But you are right. They need to look at that.

Mr. HOKE. Those people also need to be given incentives to do that. That is one of the things we are considering. It is important.

I have another chart here I want to just talk about for a moment. One of the things you will hear a lot about on the rhetoric and the demagoguery on this issue that I do not think is par-

ticularly helpful is that we are slashing Medicare, cutting Medicare. You typically hear this during debate on the floor. One of the things we get to do in these special orders is we get to dissect an issue and look at it more carefully, thoughtfully, and reflectively as opposed to in a rhetorical and demagogic fashion.

The question here is where is the cut. This tells you exactly on a yearly basis how much the per-beneficiary per-month amount goes up. Here in 1995 we are spending about \$401 per beneficiary, per senior citizen on Medicare per month. That goes up in 1996 to \$423, in 1997 to \$440, up until the year 2002, it is \$561. Per year it goes from about \$4,800 to over \$6,800. That is a substantial increase. In fact on a compounded basis it is about 6.5 percent per year.

This amount, by the way, this per-beneficiary, per-month, it takes into account that we are going to have more people coming in than are going out. When you think about it, this is one of the big problems not only with Medicare but with Social Security as well. That is, that the number of workers per beneficiary in 1995 is 3.3. But the number of workers per beneficiary in the year 2025 will be 2.1.

Mr. KINGSTON. If the gentleman will yield, we have a lot of things we are trying to resolve and address at once. But one of the things we are trying to do is deregulate businesses so that they can expand and create more jobs. We are also trying to get people who are able-bodied off of welfare so that they will go out in the workplace. In doing that, what we are going to do is increase revenues and then have that worker-to-retiree ratio go up. Because many, many years ago it was a 19-to-1 ratio, and the 3.3 is scary enough. We need to actually increase the number of workers to retirees, not just for practical purposes like in Medicare but to decrease the welfare rolls, decrease the rolls on public assistance in general, increase revenues, self-esteem, and make the world a better place so that everybody can enjoy the socioeconomic mainstream of America.

Mr. FOX of Pennsylvania. If the gentleman will yield, just to carry forward what the gentleman from Georgia [Mr. KINGSTON] just said, not only have we in the Republican majority here in Congress made inroads on welfare reform, we also did it with regulatory and legal reform, all ways to help businesses grow, produce and hire and help us be able to find the funds for actual services to make sure that Medicare, which is going to help people in their health care, in fact, have the quality of life they want but decrease the number of bureaucrats that we have in Washington and the bureaucracy in Washington. I think we want to go to direct services and less regulation.

Mr. HOKE. I think one of the things that is important to emphasize as we talk about the Medicare debate is that we are absolutely committed to keeping the current system for anyone who

wants to stay in it exactly as it is today. I think that it is very important that senior citizens know that, that they understand and they expect that, and they can look forward to that and be confident that they know that their representatives in Washington, that the Republicans that are now in control of the Congress, are committed to that. I think it is also important for them to know that we are considering various options that will give them choices with respect to Medicare that will in fact not only preserve it, which we are committed to doing, but will actually improve it. Maybe we could talk about some of those choices that we expect to see in the future.

For example, one of the choices would be HMO-type programs, the managed care model where you become a part of a network that provides everything. There are managed care programs today under Medicare in Florida, for example, where everything is covered, including prescription drugs, which right now is not a Medicare benefit, and in some programs even optical benefits are covered.

Mr. FOX of Pennsylvania. I believe hearing aids would also be available through the managed care.

Mr. HOKE. I do not know if it is in any of these programs, but it certainly could be.

Mrs. SMITH of Washington. If the gentleman will yield further, I am hearing some scary things out there. Some people do not want to go into managed care. I think what I like in here at this point in the debate, not between the two of you, but in Congress is that most people are saying that should be an option. If you choose that option and it is a little less costly, we are going to give you more benefits in that option. But if you choose to have another option that is a little more costly, you may need to share in the cost of a more costly option. But you still have a choice.

I think the most exciting thing that I see coming is we are going to have options the seniors have not had before. I think we are going to have better plans. I look at it, and I am going on six grandkids so I have a little bit to go but not as long as some of you. I look at it not on choices. In fact, I want choices now. I want the next 10 years for me to develop a plan where I can take care of myself and I can transfer and not have Medicare. Maybe I can buy my own private plan. Those are some of the things we are talking about. Not just those that are on but those coming on and then the younger ones who are just coming into the work force. What do we do about them? It would be irresponsible to not consider that. We are looking at all three age levels.

Mr. KINGSTON. One of the things that I think is very, very important, and the gentlewoman has certainly touched on it, is that with our senior citizens, more than options, they want certainty. We are going to provide for

that certainty by strengthening and protecting Medicare from a financial standpoint. Then for the folks who want options, it is going to be out there if they want it. Then for health care in general, as the gentleman from Pennsylvania [Mr. FOX] said earlier, the Medicare inflation has been so atrocious compared to the private sector or the normal medical inflation, that we are going to work on health care reform in general, portability of coverage so that you can move if you are in a managed care plan from one to the other, if you are in the traditional fee-for-service insurance plan, you can move from that to another, if you want to have a medisave option where you are willing because of your economic bracket to take a higher deductible and pay more of the front-end cost on your own to reduce your premium but still have catastrophic coverage, you can do that. But the great effect of that is actually to help the marketplace become more competitive because people will start shopping around and seeing where they can get the best buy on a lot of health care services.

There are a lot of exciting things that are going on out there, but it is all going to be built on a solid bedrock of certainty for our valued seniors who are on Medicare.

Mr. HOKE. If the gentleman would yield on that point, I think this idea of different options is very important.

I also want to say to the gentleman from Washington, I think you are absolutely right with respect to HMO's and managed care. It is a funny thing. The biggest problem that people have with managed care is the concern that they will not be able to be treated by their own doctor. I think that is a very real concern. It certainly is a concern that I take seriously. When you survey you find that people who are able to keep their own doctor going into an HMO are much, much happier with that situation. But I think it would be absolutely wrong to force anybody to be a part of some program that they do not want to be a part of.

Mrs. SMITH of Washington. If the gentleman will yield, I was just picturing a person that is very close to me. If she is listening, she will know who it is. It is a family member. Her doctor is in an HMO, not a system with many doctors coming together for a managed system but an actual HMO. She is happy there, she does not worry, she feels good.

We need to make sure that anybody that is somewhere they feel good and safe gets to stay there and that we protect and preserve that. The last thing we want in all of this is for anyone to be out there being afraid that they will not be able to be taken care of. The mongers that would blow this into an issue politically will try to scare people. I think I can safely say the people I am working with on both sides of the aisle will leave very secure those people that rely on Medicare. Those that rely on it can still rely on it.

Mr. KINGSTON. I think that is a good point, because in this debate, I know there are a lot of people on one side of the aisle who do not want to admit that Medicare is in trouble, but let us just say that the responsible approach is to say the Clinton trustees have said Medicare is going broke. Now, what are we as Members of Congress going to do about it, not as members of the Democrat or the Republican Party but as Members of Congress, what are we going to do about it? Then you have a choice in here. Are you going to work for Medicare or are you going to work for medicare? I think there are people who have decided it is more politically expedient—

Mr. HOKE. Excuse me, did you say Medicare or medicare?

Mr. KINGSTON. I think we should put that on the easel so people can see it. I think it is very important that people know that 435 Members of Congress can take the choice. Are they going to work for Medicare or are they going to work for medicare? One is political and one is responsible.

Mr. HOKE. Let me wrap this up because there is another subject I would like to get to. We only have 10 minutes left in our portion of this hour. I do want to emphasize once more that I would strongly urge senior citizens, people about to become senior citizens, and anybody that is particularly interested in this problem, and it is a problem for every American, particularly tax-paying Americans, because the fact is that health care is the fastest growing segment of the Federal budget. Call your Representative, 202-224-3121, and ask for a copy of the "Status of the Social Security and Medicare Program Summary." It is a 14-page summary. It will explain why there is a real problem and why it would be absolutely irresponsible of us not to deal with that problem.

AUDIT OF THE HOUSE OF REPRESENTATIVES

Mr. HOKE. Mr. Speaker, I want to change the subject, if I may, to something that was released just today, the House audit which was called for by Republicans on the first day of the 104th Congress. I am going to read very briefly from the report of the Price Waterhouse independent auditors of the U.S. House of Representatives.

Mr. KINGSTON. If the gentleman would yield just before you do that, auditing exactly what, or generally what?

Mr. HOKE. What they are doing is they are auditing the books of the House of Representatives. We spend in the House, to run your office, my office, the office of the gentleman from Pennsylvania [Mr. FOX], the office of the gentlewoman from Washington [Mrs. SMITH], and all of the various business organizations of the House, the committees, the committee structure, all of the benefits, all of the people that run this, \$700 million per year. That is the budget. Think about that.

Mr. KINGSTON. Is this an annual audit that is done every year?

Mr. HOKE. Excuse me? The House has never, ever, ever, ever, in its entire history been audited by an outside auditor.

Mr. KINGSTON. How often do businesses get audited?

Mr. HOKE. Once a year. Publicly traded companies must be audited once a year and they must file reports with the SEC.

Mrs. SMITH of Washington. If the gentleman will yield, is this a private audit? This is not just something we did ourselves. Did we hire these people, pay them?

Mr. HOKE. We hired one of the Big Six accounting firms, Price Waterhouse, to conduct this audit.

Mrs. SMITH of Washington. Everyone knows Price Waterhouse.

Mr. HOKE. They came in, and I do not know how many people came in. They must have had a team of 20 or 30 accountants who came in and went through the books. That is what they do. They go over the ledgers literally page by page.

Mr. FOX of Pennsylvania. If the gentleman will yield, every State government, local government, and school board has to audit. The House has never audited before?

Mr. HOKE. We have never had an external audit, from an external auditor. We did have an internal audit. I am told it was in 1954. That was the last time we had an internal audit of the House's books.

Mrs. SMITH of Washington. Good enough to hold us that long, huh?

Mr. HOKE. Apparently yes. Let me read some of this. It is stunning. This is the report of the independent accountants, Price Waterhouse.

The House lacks the organization and structure to periodically prepare financial statements that even after significant audit adjustment and reconstruction are accurate and reliable. The House Clerk's report is a voluminous quarterly document that lists over 90,000 disbursements, but it does not summarize the disbursements in logical groupings or accounts, does not accumulate them beyond one quarter or otherwise place them in a context that could be easily understood. The individual financial reports of House units were of limited use to understanding the finances of the house as a whole because they only constituted small components of the House. The statement of accountability which purportedly accounted for all House transactions reported collections and disbursements in broad account categories but little else. None of the financial information or statements periodically produced by the House's financial and administrative units were suitable for reporting consolidated information in an acceptable financial statement.

Finally, let me read the conclusion, because this is the most stunning part:

Because the House's accounting and reporting methods were outdated and of limited utility, the accompanying financial statements required significant adjustment to attempt to conform them to generally accepted accounting principles. However, the shortcomings in the House's information systems and the weaknesses in its internal control structure were so severe that they affected the availability and reliability of

the data and information supporting the financial statements. Those conditions also made it impractical for us to extend our audit procedures to the degree necessary to determine the effect that these shortcomings might have had on the House's financial statements.

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For the reasons stated, we are unable to and do not express an opinion as to whether the supplemental schedules are fairly stated in relation to the consolidating financial statements taken as a whole, and we do not express an opinion on these consolidating financial statements. That is the worst situation, I don't know, are any of you CPAs?

Mrs. SMITH of Washington. Will the gentleman yield?

All I can tell you is if my business had that kind of an audit, I could never get a loan again. I think what it says is there can be no beginnings. I looked at that, and I am like the person with the shovel, you know, digging and looking for the pony.

Mr. HOKE. Looking for the pony.

Mrs. SMITH of Washington. And I looked at it and I thought, some things were obvious. Even before we came in in January, we started making changes, we started digging around, we started opening up files and we started closing things that were not efficient. We started looking at the mail room, we started looking at the way things were done.

My understanding is that this audit said certain things should change. We are already doing a lot of them. But I do not think we will ever know for sure all of what happened between the 1954 audit and the 1995 audit. That is a long time.

What I would like to see us do is go forward. I would love to see us look at this and say, we are a new Congress, we want to go forward. So I was excited to see that we were not going to mess with the results. We were going to turn them over to an independent counsel and let anybody else deal with them outside of this place so that it was not political. I like that, and it kind of excited me that we were already starting along the path to repair.

Mr. FOX of Pennsylvania. To follow up with what Congresswoman SMITH just said, the fact is we just passed a resolution unanimously in this House this afternoon giving the Inspector General the authority to move forward to make the kinds of changes we need. Because in the report, if I can just follow up, the appropriations limits were ignored, bills were paid late in the House, House property and equipment was unaccounted for, and there were significant security problems with their own computer system. So these changes, in order to really help our country and to lead by example, I think it is good that we have this kind of audit and that we actually do the follow-up, as Congresswoman SMITH just stated.

Mr. HOKE. I think that is right, and that we now have audits on an annual

base, which is exactly what we are committed to doing.

I think we would be remiss in not pointing out two things: No. 1, that this audit was taken under the first Republican Congress in 40 years; and, No. 2, that we made the promise to the American people that we were going to start out the 104th Congress with an audit, and that is exactly what we did. It is another promise made, another promise kept.

Mr. KINGSTON. If the gentleman will yield, was this done on an inventory and on a cash basis? Because my question that I am leading to is, did we count the number of personal computers? Did we count the papers? Is there inventory missing? And is there cash missing? Is the cash done on an accrual basis, is it done on a cash basis, or could the auditors even tell one way or the other? Because what I am really hearing is, they gave up and they said, this is just too much of a mess.

Mr. HOKE. Well, they tried to do it properly, and I don't think they really gave up. What they did is they kind of threw their hands up in despair and frustration and said, we can't give you the kind of report that you wanted.

Mr. KINGSTON. Well, if the gentleman will yield, Price Waterhouse also does the audit for Washington, DC. Did they say that this was comparable?

Mr. HOKE. My understanding was that the books for Washington, the District of Columbia, were in much better shape than the books for the Congress.

I will read one other thing from this, because I think it is interesting. It says the House used cash basis accounting as its primary means of managing its financial resources and preparing internal and external financial reports.

This meant that the House tracked when it received or spent cash, but not what liabilities or legal obligations or commitments it was incurring, or the value of the assets properly recorded, accumulated and reported in accordance with the rules, policies and procedures that are established by the House itself.

Mr. KINGSTON. So perhaps we can get somebody from the Washington, DC City Council to come show the House how to take care of the books.

Mr. HOKE. Perhaps we can.

Mr. KINGSTON. Not necessary any more, is it?

Mrs. SMITH of Washington. Let's do better than that.

Mr. HOKE. I want to extend my appreciation to the gentlelady from Washington [Mrs. SMITH], the gentleman from Pennsylvania [Mr. FOX], and the gentleman from Georgia [Mr. KINGSTON] for participating with me in this special order.

Mr. Speaker, I want to yield the balance of this hour at this point to the gentleman from Florida [Mr. BILIRAKIS] to discuss Cyprus. I hope that I will have an opportunity, since it just happens that this is also an issue that

is near and dear to my heart, to join him on that issue.

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on this subject of my special order.

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

There was no objection.

CYPRUS: 21 YEARS OF DIVISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 20 minutes.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding me the time. I also thank the gentleman and commend the gentleman and the others for basically sharing the facts and the truth regarding the Medicare picture with our viewers out there.

Mr. Speaker, Thursday, July 20, marks the twenty-first anniversary of the illegal invasion and occupation of Cyprus by Turkey. I rise here today, as I have since I first came to the Congress in 1983, to remind us all of this sad day in the history of the Republic of Cyprus.

We must all be reminded that the Green Line, separating the northern part of the island—some 40 percent and Turkish-occupied—from the free portion is the only wall remaining in the world dividing a country.

We must be reminded that our conduct here in this Congress has played a major part in ensuring that wall continues to stand.

On July 20, 1974, 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus. Turkish forces captured almost 40 percent of Cyprus, representing 70 percent of the country's economic health.

As a result of Turkey's illegal invasion, 1,619 people have never been seen again. Among these 1,619 missing individuals, five are United States citizens.

In addition, more than 200,000 Cypriots were forcibly driven from their homes. They are now refugees—a people without a home.

Today, Turkey continues its occupation of the northern portion of Cyprus, maintaining more than 35,000 troops and some 65,000 settlers there. As I previously mentioned, a barbed wire fence, known as the Green Line, cuts across the island separating thousands of Greek Cypriots from the towns and communities in which they and their families had previously lived for generations.

As you might guess, this has led to frequent incidents and disputes—and in the near future, the settlers and occupying troops will outnumber the indigenous Turkish Cypriots.