

1. "Licensed providers" are bribing government officials for the license and then for setting the prices paid at artificially high levels: [Example (see document transmitted with this letter): The "licensed providers" of goods and services are marking their products up by as much as 1,000% (one-thousand percent). An example of billing Medicare/Medicaid \$1,210.55 for 155 adult diapers which cost 41¢ each wholesale is included with this transmission. Tripling the wholesale cost—a great markup—would have resulted in a price of \$1.23 each. The "licensed Medicare provider" billed Medicare for \$1,210.55, collected \$968.44 and then billed Medicaid for the remaining \$242.11. U.S. Taxpayers paid \$7.81 each for diapers which wholesale for 41¢ each!]

2. Facilities which provide services to the elderly and handicapped are paying bribes to government agency personnel who refer the elderly and handicapped to them for treatment; [I have access to a tape of a conversation between a druggist and a personal care home owner in which the druggist offered a "kickback" if the owner would allow him to bill Medicare/Medicaid for all prescriptions of the owner's residents. This was not a "volume discount" but an under-the-table bribe.]

3. "Licensed providers" are bribing owners of facilities providing housing and other services to the elderly and handicapped to allow the providers to furnish goods and services to their residents; [Example: a "licensed provider" approached the owner of a personal care home about providing "hip protectors" to the elderly residents of the facility. The "provider" said he had a doctor who would "sign off" on the "protectors" and that the "hip protectors" were already "Medicare approved". The "hip protector" consisted of two cotton pads about 6 inches in diameter connected with Velcro belts to hold them in place around the hips. The price to Medicare—\$300.00 per unit!]

4. The nursing home and home-health industries are bribing legislators and government administrators and regulators to channel all Medicare/Medicaid payments into their industries rather than to the less-expensive "intermediate care" homes and "local" nurses, doctors and social workers who might accomplish the same goals at one-third to one-half the cost of nursing homes and the "licensed" home-health agencies. [This is common knowledge among State legislators in Georgia. Studies from Georgia government agencies and corroborating studies from Oregon, Maryland, South Carolina and numerous other places have shown that of the 40,000+ people residing in 24-hour skilled nursing facilities in Georgia with Medicaid funding, more than two-thirds do not need "skilled nursing" and would be better off in a smaller, more residential setting like a personal care home with the resultant savings to Georgia taxpayers of more than \$350,000,000 per year!]

In terms of long term care for the elderly and handicapped, including home-health and residential facilities, here are some experts that you might wish to contact regarding potential savings to Medicare/Medicaid and the real benefits for the elderly and handicapped which would be derived by eliminating the graft and corruption from the system:

Richard Ladd (former head Oregon and Texas agencies handling the elderly and handicapped who succeeded in reducing nursing home populations in both states) (512) 266-7406/266-7648, Austin, TX

Professor Rosalie Kane, Institute for Health Services Research, Univ. Minnesota, 420 Delaware Street SE, Box 197, Mayo Building, Room D-527, Minneapolis, MN 55455 (612) 624-5171]

Larry Polivka, University of S. Florida, Aging Dept., Tampa, FL (813) 974-3468

Please pass along my gratitude to Rep. Stern for the good work. If the fraud and abuse were eliminated in Georgia from the Medicare/Medicaid system, it would reduce the that expenditure by at least 50% while not cutting one needed service to the elderly and handicapped.

I am continuing my research and working with the Georgia Attorney General's office, several legislators and many professionals in the long-term care field. If I find more information, I'll send it along and if there is some specific information you need, please let me know.

Sincerely,

CLAY WILLIS.

SAFE AND AFFORDABLE HOUSING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from New York [Ms. VELÁZQUEZ] is recognized during morning business for 1 minute.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today to call attention to the latest attack on our children, the elderly, and the poor. Today, when families are being forced to do more with less, the Republican crafted VA-HUD appropriations bill threatens the most basic human need, safe, and affordable housing.

The VA-HUD appropriations bill cuts homeless assistance by 50 percent, leaving the 600,000 individuals currently homeless with no hope. It slashes public housing subsidies by over \$2 billion, sentencing 3 million public housing tenants to higher crime. This will have a devastating effect in New York City.

Cuts in section 8 rental assistance and homeless programs come at a time when we should be working to give everyone a chance at having the basic necessity of shelter. Instead, this legislation forces these Americans further into despair.

These moves are on top of severe reductions already made by Republicans to programs like AFDC, food stamps, and child assistance programs. Cuts like this create a dangerous game of Russian roulette, forcing families to choose between caring for their loved ones, putting food on the table, or providing a roof over their head.

Mr. Speaker, that is simply too high a price to ask our families to pay, all in the name of balancing the budget and tax breaks for the wealthy.

SAVE MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. SCARBOROUGH] is recognized during morning business for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I have got to tell you. I hear all this debate about Medicare and Medicaid and who is saving Medicare and who is trying to gut Medicare and Medicaid. At times I just find it laughable, the type of rhetoric that goes on inside the beltway of Washington, DC, and I am new to this game. I just came to Washington 6 months ago.

I remember over the course of the campaign, what frustrated the American people the most was the fact that Washington politicians loved to engage in doubletalk, double speak. And one of the things they got the biggest kick out of, but also got upset about the most, was the fact that in Washington, DC, a politician calls a spending increase a spending cut. Somebody will come to the floor and say, we are cutting this program by 50 percent, and then you open up the budget and look chapter and verse.

The fact of the matter is, we are only cutting the rate of increase by 50 percent and, in fact, we are spending more next year than we did last year. This happens on all the programs. It is a wonderful way for a Washington politician to sound like they are getting tough on fiscal matters when the fact of the matter is they continue to throw money out in the breeze and do not know how to discipline themselves.

Mr. Speaker, the thing that frustrated me as an average citizen sitting on the couch watching C-SPAN or CNN was the fact that sometimes it was hard to nail them down. And you said, well, one side is saying this, the other side is saying that, what is the truth? Let me tell you. You have an opportunity to get to the bottom of the truth on the Medicare issue.

We had the gentleman from Ohio talk about the summary report of 1995 of the status of Social Security and Medicare programs. I ask you as an American citizen, if you want to get to the bottom of this whole Medicare debate, to call your Representative at 202-225-3121. Call your Representative, ask for that report and it will tell you some very, very troubling things about Medicare.

The first thing it will tell you is that Medicare is going bankrupt in the year 2002. That is in 7 years. The House Republicans did not write this report. House Democrats did not write this report. It was written by the trustees. They came back and reported to President Clinton: Mr. President, we have 7 years before Medicare goes bankrupt, before senior citizens really are left out in the cold in this system. You have to do something to reform Medicare.

Some of us have begun to undergo the task of doing something to save Medicare. Let me just give you a few numbers about spending and Medicare because you are going to hear about how us trying to save Medicare is going to cut the program, going to slash the program. Let us forget Washington doubletalk and double speak for a second and just talk about the facts.

The fact of the matter is, spending on Medicare over the next 7 years is going to increase from about \$900 billion to \$1.6 trillion, \$900 billion to \$1.6 trillion. I was never very good in math; that is probably why I ran for office, but the fact of the matter is that in my hometown where I come from, going from

\$900 billion to \$1.6 trillion over 7 years is a spending increase.

How is it going to affect my parents? How is it going to affect my grandmother? How is it going to affect seniors in our communities across the country? The fact of the matter is, the average senior citizen is going to go from having about \$4,600 in Medicare benefits per year to approximately \$6,400 in Medicare benefits a year. That is almost a \$2,000 spending increase over the next 7 years.

Again, in Washington, DC, some people are going to call that a spending cut. Adding \$2,000 over 7 years is going to be considered a spending cut, and they will get out charts and graphs and say, but over the next 7 years, blah, blah, blah, and I will tell you, by the end they are so good at it you almost start to believe them.

Let us look at the cold hard facts. Let us look at the report and let us call a spade a spade. We are going to save Medicare even if the other side is afraid to do anything about it.

MEDICARE AND SOCIAL PROGRAMS ARE UNDER ATTACK

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. VENTO] is recognized during morning business for 2½ minutes.

Mr. VENTO. Mr. Speaker, we have seen a lot of policy changes that are flowing from the budget, and the fact is that the story about whether something is going to be cut or how it is going to be affected reminds me of the fisherman that is cleaning the catfish. He is saying: Please little catfish, hold still. I am not going to do anything but gut you.

The fact is that there is a denial of the intention and the proposal. There is a denial while it is going on. There will be a denial after the cuts and after the changes have taken place. But the fact of the matter is the Medicare and social programs are under attack. This year in 1995, in the housing programs, out of the \$16 billion rescission measure, \$6 to \$7 billion of that came out of housing programs. In the appropriation bill for HUD-VA that is being proposed, there is a 26-percent cut for housing. There is \$4 billion more taken from housing. Programs are eliminated. Programs are proposed to be severely cut back.

Public and assisted housing in this Nation, while we frequently look at problem public housing in terms of the media attention, the fact is that it is an overwhelming success in many instances. Four and a half million American families, we have in excess of 4½ million units of assisted and public housing in our Nation. The Federal Government has worked collaboratively, cooperatively, with States and local governments. These public housing programs are enormously important programs for low-income Americans.

If anything is happening in our society today, it is of course the deterioration of income, of wages and jobs, the lack of empowerment for working people. This directly has resulted in their inability to meet their basic needs.

One of those basic needs is housing. Others are health care. Of course, some of these have not passed in entitlements, but the new Republican majority have got plans for you on that. But housing has never been an entitlement. So the consequence is that when we run out of housing, the public or the assisted housing, we end up with people and problems. Those problems have in recent years emerged as a growing and alarming rate of homelessness.

This bill not only cuts the basic programs to build any new housing for seniors and others and the services that will help those people, whether they exist today such as drug elimination, grants for kids or congregate housing services, special services for the elderly, but this HUD-VA appropriation measure goes on to cut the homeless programs by 50 percent from what was provided last year. So not only will they not address the chronic problem of providing decent, sanitary housing for Americans, but the Republicans also go on in this bill to cut the homeless program. So once you are down and out, you are going to be out and on the street.

This answer, this Republican answer, is not the answer, the policy path the American people voted for last November.

What we have in this mean-spirited; extreme unbalanced HUD-VA appropriations bill is a circumstance where those least able to bear the burden of cost cuts are being asked to take on an inequitable share: Housing cuts of 26 percent while we preserve a project for a techno-mansion in space.

Adding insult to injury, the GINGRICH-led Appropriations Committee has cut HUD homeless assistance essentially by 50 percent. Further, the highly praised FEMA Emergency Food and Shelter Program is being cut by 23 percent. This is unconscionable. It is reckless.

The cuts in senior housing, disabled citizens housing, and housing for persons with AIDS, are also drastic and unfair. These three programs are lumped together to compete against each other with a severely smaller pool of dollars—roughly a 46-percent reduction: from 1995 levels of \$1.852 to \$1 billion for 1996. Additionally, as a result of requiring public housing and section 8 residents to pay a minimum rent of \$50 plus utilities, rents will be increased by an average \$463 per year for some 600,000 families. About 85 percent of these households are families with children, 10 percent are elderly and 5 percent disabled. Many of these Americans are on fixed incomes. Average annual income in public housing rests around \$7,000. An increase of \$463 represents nearly 7 percent of those low-income families' income—and while it may not seem like much to some—it will simply be a make or break situation for many of these families.

We cannot ignore the plight and impact on public housing under this harsh Republican legislative initiative. While assuring the contin-

ued flow of spending expenditures, in reality precious and scarce Federal dollars for the NASA space station, this Republican appropriations sledgehammer destroys public housing brick-by-brick, tenant-by-tenant, housing authority by authority. The bill would delay outlays for public housing modernization and/or development. It suspends without recourse one-for-one replacement of public housing. It cuts \$2.8 billion in capital and operating subsidies as compared from the 1995 level.

Coupled with the elimination of new section 8 assistance to tenants, this bill will literally guarantee an increase in homelessness. This relates to my initial point regarding the vicious cuts in homeless assistance. By making seemingly endless assisted housing waiting lists in reality a dead-end path, this HUD appropriations bill would force an explosion of families, children, and the elderly into the ranks of the Nation's homeless citizens.

And, why? For a space station? Or worse yet tax breaks for affluent Americans, who no doubt have their own housing subsidy in the form of the much supported mortgage interest and State and local tax deductions.

There is no equity in this bill, this budget or the actions to date of this 104th Congress. There is no justice when the rescission bill finally sent to the President the cuts from 1995 spending is 50 to 60 percent in essence \$6 to \$7 billion from housing programs. And peace will be hard to come by in the future because we will suffer from these shortsighted policies, as sure as millions of our friends and neighbors will languish on terminal waiting lists while enduring substandard housing; as sure as our parents lose their apartments in senior housing projects, or pay the rent with their food or prescription money; or, as certain as more children find it normal to wake up on the street or in a shelter. Our Nation will suffer and the notion and hope of our society will be diminished by such phenomena.

As the able Secretary of Housing and Urban Development, Secretary Cisneros pointed out, these cuts will affect literally millions of people and will devastate the communities in which we live. The Republican housing appropriations will be a monumental setback for revitalizing our distressed communities, and will cripple efforts to provide decent, safe, affordable housing opportunities for all Americans—a fundamental premise of our Nation's housing policy.

The impact in Minnesota graphically illustrates how people are affected by focusing on the changes more closely help place a face of the impact homeless cuts would represent just for the city of Minneapolis: A cut of \$3 million—which would cut their transitional and permanent housing by 46 units and reduce the number of people that would be able to be served by over 500 people. My home city of St. Paul would lose \$1.7 million in the next fiscal year if these cuts are made.

St. Paul, Minnesota's Public Housing Authority, a nationally recognized PHA will lose over \$4.5 million in operating subsidies and modernization dollars.

Because the GOP appropriations bill requires public housing and section 8 residents to pay a minimum rent plus utilities. As I noted earlier, HUD estimates that this would immediately raise rents for approximately 600,000 public housing and section 8 families by an average of \$463 per year. Nearly 50 percent of all assisted households in Minnesota would