

so he sends back and says, "This is a U.S. naval battleship. We demand that you change course 20 degrees." The message comes back, "We are the lighthouse."

Mr. Speaker, I think the story is analogous to the problem we have with Medicare. Right now the message is coming back that we are on a collision course with disaster. We are headed for the rocks, and unfortunately, the Medicare system is picking up speed.

In the private sector, we are seeing in the general economy inflation rates of about 3 percent. What we are seeing with Medicare is about 10½ percent. We all know, at least I think we all know, if we do not know, in fact it is available in a little yellow booklet that is being distributed, the board of trustees of the Medicare trust fund came out several months ago with a report, and in it they said many things. I think it is important that Members of this body and Members of the general public be as informed as possible about what they in fact said.

Let me read some of the quotes. For example, they said, "The Medicare program is clearly unsustainable in its present form." They went on to say, "It is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative." They said, "We feel strongly that a comprehensive Medicare reform should be undertaken to make this program financially sound now and in the long term."

The message is coming out loudly and clearly from our own lighthouse that Medicare is on a collision course with disaster. Yet some folks tend to pretend that nothing is wrong and that we do not have to change course. In fact, the board's report stated: "Under a range of plausible and demographic assumptions, the HI Medicare program is severely out of financial balance in the short range, adding that the HI fund fails the solvency test by a wide margin."

Mr. Speaker, I would encourage anyone who is watching on television at home or other Members who are watching in their offices, if they do want a copy they can call 202-225-3121 and get the number of their Member. I know that the Government Printing Office is running a bit behind in terms of keeping up with the demand for these reports, but I think it is important that if people would like to get a copy for themselves, they can read for themselves about what the Medicare trustees have said about the future of Medicare.

Mr. Speaker, that is the bad news, but unfortunately, it gets worse. Not only does the fund begin to spend more money than it takes in just next year, and not only does the fund go bankrupt in just 7 years, the really bad news is that people my age, I happen to be the peak of the baby boomers. As a matter of fact, when I graduated from college, I remember the speaker at our commencement address was director of the U.S. Census. He told us that there were

more kids born in 1951 than any other year. The bad news is the baby boomers will start to retire in about 15 years. That is going to have a disastrous impact on the Medicare fund as we go forward.

That is why the trustees, Mr. Speaker, have made it so clear that we need to change course. Like that battleship, we are getting the clear signal that we are headed for the rocks, we are picking up speed, things need to change. What we are proposing, really, are modest changes in the Medicare system.

What we are trying to do is work with all of the providers, with seniors, with other groups, to try and come up with solutions. The good news is if we look at the private sector and what has happened in the private sector over just the last 18 months, we see some good examples of how costs can be contained. As a matter of fact, before I came to this Congress I was a Member of the Minnesota State Legislature. I was on the Health and Human Services Committee.

I remember just a few years ago being told that we were going to see double-digit inflation rates in the health care system for as far as the eye could see. In the private sector, private insurance carriers, private employers, literally sat down and said, "This simply cannot be allowed to continue at this rate," so they employed a number of different methods to try and control those costs. The good news is we have seen virtually zero inflation in the private sector over the last 18 months in Minnesota, so it can be done.

We have examples in the private sector with just a little bit of working together. I think if the House and Senate can work together, if Republicans and Democrats can work together, I am confident that we can use some of the same things that have worked so effectively in the private sector to control costs here in the public sector, and particularly as it relates to Medicare.

It is an undeniable fact, Mr. Speaker, you cannot sink half of a boat. We are all in the same boat together. I think we owe it to ourselves, to the taxpayers, to the 36 million current beneficiaries to keep this ship afloat.

THE LABOR-HHS APPROPRIATIONS BILL

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

Mr. MENENDEZ. Mr. Speaker, this week the House will consider the Labor-HHS appropriations bill. I think Americans need to be aware of provisions that were inserted into the bill that would severely curtail advocacy by organizations that receive Federal grants.

The bill currently sharply limits the amount of private money a Federal grantee may use to lobby elected officials, the reason being, ostensibly, that

money is fungible. In other words, the award of Federal dollars makes it possible for an organization which gets a grant to use more of its own money for advocacy, instead of having to use it to provide services.

However, Mr. Speaker, that argument is not enough to warrant placing unprecedented restrictions on what Americans may do with their own money, and certainly not enough to warrant fiddling with first amendment rights. Who would be subject to these limitations? Church groups that receive Federal funds through their city to run a homeless shelter, small businesses that receive loans from the SBA, low-income nursing mothers and infant children who use the WIC Program to supplement their diets, farmers who utilize federally funded irrigation projects, children who receive subsidized school lunches, students who receive a college loan. The list is endless, and the answers to the questions are unclear, because the bill is so ambiguous as to what qualifies a grant.

In fact, the bill says that the term "grant" includes the provision of any Federal funds or other thing of value, something of value. Are not WIC benefits or food stamps things of value? Is not an irrigation system a thing of value? Is not a school lunch a thing of value? The sponsors of this language believe they are not, but the bill makes absolutely no distinction. It would be up to the courts to decide whether a thing of value is a grant or not under this confusing and wide-open definition. A person may be getting a so-called grant and not even know it, and if so, he will soon have to file reports to the IRS telling them now much he got and detailing how much money he spends writing to his Congressman to express his opinions. It is his right as an American, but he had better be prepared to report it to the Government.

How ironic. How ironic it is, in an age when we are supposed to be shrinking the Federal bureaucracy, that the solution to the imaginary problem of federally subsidized advocacy is to require thousands and perhaps millions of people to file new forms with the IRS, reporting what they said to their elected representatives, and how frequently they said it.

Mr. Speaker, I will be supporting an amendment to remove these provisions, because I do not believe they have been well thought out, and they certainly have not been examined thoroughly enough, given the sweeping changes the bill would make to the rights of Americans to petition their elected officials on issues of concern to them.

Remember, we are not talking about using Federal money to lobby. That is already prohibited under the law. We are talking about the use of private money. We are talking about stopping advocacy by groups on behalf of, for example, the mentally or physically handicapped, if they receive a grant in

their organization; by a college or university, if they receive a grant; by an antipoverty agency, if they receive a grant; by a woman's group if they receive a grant. The list is endless. I believe there is a conspiracy to silence voices in America that some do not want to hear from.

However, Mr. Speaker, if the House wants to insist on going ahead with this ill-conceived plan and if we cannot strike the provision, then I intend to offer an amendment that will put more people on a level playing field. The bill seeks only to control lobbying or advocacy by groups which receive Federal grants. That ignores a whole host of other benefits which the Federal Government provides, all of which makes it possible for the recipients to spend more money on lobbying. All of these benefits are every bit as fungible as grant money, yet there is no attempt to address them.

We have newspaper accounts of tax-exempt organizations paying for flying politicians around the country, paying for their television ads or distributing materials promoting a certain political agenda. They are more than abundant. Meanwhile, the Federal Government is allowing it to go on tax-free. That is a benefit that is not only fungible, it is worth more than all of the grants that this bill tries to deal with.

Therefore, Mr. Speaker, if my amendment is passed, any politician that accepts tax-exempt dollars to promote his or her political agenda loses their Federal salary. The group that provides the money has to pay taxes on it. That is lobbying reform with real teeth. If the issue is fungibility of money, let us not give the high and mighty who have certain access to non-profit organizations an opportunity to have their voices heard, but have the voices of Americans across the country silenced.

THE MOST IMPORTANT CHALLENGE IN FIXING THE MEDICARE CRISIS: PREVENTING THE PART A TRUST FUND BANKRUPTCY

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

Mr. ENGLISH of Pennsylvania. Mr. Speaker, addressing the crisis in Medicare by preventing the Part A trust fund from going bankrupt may be the most important and the most difficult challenge for this Congress. Mr. Speaker, Medicare is part of a social compact we have with America's seniors. We in Congress serve as fiduciaries for this program, charged with the ultimate responsibility for its solvency.

This spring the Medicare board of trustees, including three members of the Clinton Cabinet, reported that Medicare will start running a deficit next year, and will be broke by the year 2002. Medicare will be broke in 7 years. Since then, we have been inun-

dated with speculation on why this crisis happened, whose fault it is, and even whether the crisis is for real. Frankly, Mr. Speaker, sometimes in this debate there has been more heat than light.

Mr. Speaker, as a Member of the Committee on Ways and Means, I have been seeking a legislative solution to the Medicare crisis which simplifies and strengthens the program, while preserving it for future generations. Congress must find this solution quickly and get it right, or we will leave the public to face draconian budget cuts for seniors, or punitive tax increases for working families.

With the extremely short period of time Congress has to formulate a solution, I think it is vitally important to follow a three-step approach: Item one, to clean up the fraud and abuse; item two, to legislate a solution which preserves and protects senior benefits; and three, make sure the crisis does not happen again.

With this in mind, I have introduced two separate pieces of legislation to address the most overlooked aspects of the process, cleaning up the fraud, and establishing a mechanism to allow for a faster and less political approach to the threat of bankruptcy, to ensure that we never get to this point again.

Mr. Speaker, the costs of fraud and abuse to the health care system in general are staggering, with as much as 10 percent of the U.S. health care spending being lost to fraud and abuse every year. Over the past 5 years, estimated losses from health care fraud totaled about \$418 billion, or as much as four times the cost of the entire savings and loan crisis to date.

Two of the most severely abused programs are Medicare and Medicaid. An extensive report compiled by one of our Senate colleagues states that for these two programs, the Federal Government pays out over \$27 billion every year in fraudulent claims. These figures are even more disturbing in light of the fact that only a tiny fraction of the bad boys who rip off the Federal health care programs are identified and prosecuted. Even when they are caught, they are often allowed to keep right on doing business with the Federal Government, and with other health care plans.

For example, an alarming number of allegations of fraud and abuse have been leveled against agencies that provide services to homebound elderly and disabled. In February of this year the HHS inspector general proposed that ABC Home Health Services, Inc., which provides home health care services in 22 States through 40 wholly-owned subsidiaries, should be excluded from Medicare and State health care programs for a period of 7 years for padding its cost reports with false and fraudulent entries that were unrelated to Medicare patient care. This is simply unacceptable.

Mr. Speaker, to combat this problem and to provide an initial fundamental

step in Medicare reform, today I introduced the House version of Senate legislation to expand criminal and civil monetary penalties for health care fraud, to ensure a stronger, better-coordinated effort in deterring fraud. Mr. Speaker, looking ahead to the future of Medicare, looking at ways to protect its solvency and provide a faster, fairer, nonpartisan process for controlling costs, today I introduced legislation to create an independent Commission on Medicare.

The Commission to Save Medicare Act of 1995 is designed to permanently protect the Medicare trust fund. The Commission proposed in my legislation would consist of seven members chosen in an entirely bipartisan manner, appointed by the President, and subject to Senate confirmation. The members would serve full time, and would consist of people who are nationally recognized for their expertise in health care policy. The Commission would report to Congress and to the President annually on the per capita value of services delivered of the Medicare benefits package and the projected growth in the program expenditures. In April of each year, Congress would set a target for Medicare spending for the upcoming year.

Mr. Speaker, I believe the combination of this Commission and the new sanctions against fraud and abuse will make the Medicare Program solvent in the long haul, and that has to be part of our solution.

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BUDGET PRIORITIES

The SPEAKER pro tempore (Mr. METCALF). Under a previous order of the House, the gentlewoman from Oregon [Ms. FURSE] is recognized for 5 minutes.

Ms. FURSE. Mr. Speaker, at the start of what I have to say, I am just really amazed by the analysis I have heard of the Medicare Board of Trustees' report. I read it and nowhere did I find that they recommended a \$270 billion cut in order to give a tax break to the privileged few.

Mr. Speaker, what I really want to talk about today is budget priorities. I want to remind you that this Congress has really only power over discretionary spending. That is about 54 percent of the budget, and that 54 percent is divided equally, 50-50, between military and nonmilitary spending. Well, that is, it was divided that way.

Mr. Speaker, we have all heard all this talk about how we are going to cut waste in this new Congress, we are going to balance the budget. But we may be surprised to hear that all of the cuts, all of them; I repeat, all the cuts, have come from nonmilitary spending. Did the military budget get a cut? No; it did not. In fact, it got a huge increase.

Now, poll after poll shows that the average American wants Pentagon