

Perhaps the most egregious account that was cited involved the National Medical Enterprise, which was a \$3.9 billion New York Stock Exchange company that owned psychiatric hospitals, which operated 86 psychiatric hospitals nationwide. Sadly enough, witnesses testified before the State legislators that social workers, school counselors, probation officers, and even ministers served as, quote, "headhunters" and were paid bounties for referring individuals to some of these hospitals.

In Texas, a Texas State senator led the investigation of this in his State and stated, quote, "people were locked up against their will. Then they were miraculously cured when their insurance benefits ran out."

My own State of Florida also has its share of con artists. In fact, in March of this year, Florida Medicaid found that at least six taxicab companies and two individuals were ripping off the Medicaid Program designed to give needy patients free rides to the doctors. In the course of 317 days, one company received \$1,134,164 for driving patients over 1 million miles. As one investigator wryly noted, "That is enough to travel 41 times around the Earth at the equator."

My colleagues, the Republican plan includes ways to stop waste, fraud, and abuse and it is important we address this matter immediately. No matter which party you represent, which side of the aisle you are on, we can all agree that waste, fraud, and abuse is something that bothers most Americans and we need to stop it now.

DEMOCRACY IN THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized during morning business for 5 minutes.

Ms. NORTON. Mr. Speaker, many are new to Congress this year and the Republican majority is altogether new in having the obligation to get 13 appropriations through the House of Representatives. The District of Columbia appropriation is the only one remaining.

The District of Columbia appropriation is a PILOT, a payment in lieu of taxes, like those in virtually every State in the Union. It is not a grant. We are paid because the Federal Government preempts much of the prime land in the District and we cannot develop on that land and because we cannot develop above a certain height.

Unlike last year, there is plenty of reason to vote for the District budget this year. We had a very severe struggle last year, but on the merits this year, the budget went through appropriation hearings without controversy. Why? Because there is a control board in place that keeps things in check, because employees have given a whopping 12-percent give-back, and because the

District has downsized 20 percent, twice as many positions as the Congress asked for.

Yet, there are propositions before the subcommittee mark this afternoon that no Republican and no Democrat can embrace. Some of these propositions would force law on people, even though the Congress is not accountable to those people, because it would force changes in local law.

It is surely a principle of this House that only through the ballot can basic law be changed. Only those who can reject or embrace what you do have a right to have law made for them. The governing theme of the 104th Congress, my colleagues, is devolving power back to the localities. You cannot have any credibility with that theme if you usurp local power here in the District of Columbia.

Mr. Speaker, many in the majority find much in this nine-to-one Democratic city with which to disagree. Yes, you are Republicans, you are in the majority. Most of us are Democrats. Surely you would not want to force Republican change in the manner of congressional dictators. That surely cannot be your desire.

To be sure, the Constitution gives you some powers over the District of Columbia, but James Madison did not mean for you to overturn local laws. He meant you to guard the Federal presence. This is a Democratic city, so who can be surprised that there is rent control? Some would take back, overturn rent control, and put their own version of decontrol place instead of our version of decontrol. Some would privatize our schools. The Mayor wants to privatize some of our schools. Many on the schoolboard want to do that. If we are not doing it fast enough for you, wait a while. This is a democracy. This is America.

Mr. Speaker, for 20 years there have been high-profile controversial restrictions put on our appropriation, but never has the Congress tried to change mainstream council legislation. I ask you in the name of democracy not to do it today.

What is being proposed is a radical departure from basic democracy, an invasion into the very body of home rule itself. I ask you not to do it. I ask you to be true to your own principles. Put yourself in my place. Put yourself in the place of the people whom I represent. They do not have full help-governing powers. Please leave them with what self-government powers they have. Please remember this afternoon in the subcommittee, in the full Committee on Appropriations, and when our budget comes to this House, that almost all of that budget is raised in the District of Columbia.

Above all, remember that this is America, that you are Americans, and that we are Americans. The Speaker himself came to a town meeting in my district. It was a gutsy and important and historic moment, and he said before all the people I represent, I do not

intend to micromanage the affairs of the District of Columbia, I do not intend that home rule be overturned. I believe the Speaker. I ask you to follow the Speaker. I ask you to respect the rights of the people I represent.

This is the first time that the District of Columbia budget will come before a Republican majority in 20 years of home rule. The country is watching; not just my constituents. The entire country is watching.

Will the Republican majority force its will on a Democratic city that is powerless to fight back, that has no voting representation on the floor of this House, that has no representation whatsoever in the Senate of the United States, though we are fourth per capita in income taxes paid in this country among the 50 States? Please respect our rights. Please treat the people I represent as you and your constituents would be treated.

PLAN FOR MEDICARE

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

Mr. PALLONE. Mr. Speaker, on Friday, I met in New Jersey again with a number of senior citizens as part of an outreach that myself and some of the other Democratic Congressmen in New Jersey have been doing on a regular basis. This time we were in Gloucester Township in Congressman ANDREWS' district and we had about 200 or 300 senior citizens who were very concerned about the Republican proposals to cut Medicare by \$270 billion.

Mr. Speaker, the problem that the seniors had is that they feel very strongly that they are not getting enough information about exactly what the Republican plan is, and the fact of the matter is, they are right. We are still not provided with the details about what Speaker GINGRICH and the Republican leadership intend to do with the Medicare Program.

Last Thursday, the Speaker and Senator DOLE released their so-called plan to reform Medicare, but unfortunately, once again, the plan falls far short in regards to any specific details, and the plain fact is that the Republicans have still not offered any substantive Medicare plan.

We do know certain things though. We do know that the cut, the \$270 billion, is the largest cut in the history of the Medicare Program, and we also know that there is no way to implement that level of cut, that magnitude of cuts in Medicare without at the same time charging seniors more for Medicare and providing them with less services.

My friend from Texas had the sign that he was using before and I will hold it up again. It says, the GOP Medicare plan, pay more, get less. The bottom line is that no matter how we cut it,

when we talk about a level of \$270 billion in Medicare cuts, it is going to mean more out of pocket for the average American senior and it is going to mean less services.

Mr. Speaker, I am glad to see that over the last few days that we are starting to see more and more media reports explaining that fact. Today in the Washington Times there is an article on the front page. It says: "Medicare Solution Looks Like the Problem. GOP Fears Specter of a Tax Increase."

Already, we have heard about several tax increases or proposals from either the Senate Republicans or the House Republicans that would result in more money coming out of pocket from America's seniors. We have heard Speaker GINGRICH, who last week indicated that the part B premium, the premium that pays for physicians' bills, for doctors' bills, is likely to go up so that within the next 7 years it is doubled and seniors will be paying twice what they are now paying for their part B premiums.

We have also heard about the means testing. That was another proposal that came out of the House Republican plan. So far, they are talking about means testing only people at higher income levels, but I would contend to you that once you start down that slippery slope of means testing and charging people with higher incomes more for their Medicare premiums, their part B premiums, you will see that in future years, Congress will move toward lowering the threshold and that more and more middle class seniors will end up not having any kind of subsidy or any significant subsidy for their Medicare part B premium.

Mr. Speaker, it is mentioned again in today's Washington Times that in the Senate Republican plan, they are talking about increasing copayments. So now we are also hearing proposals with regard to part A that pays for hospital bills to increase the copayment from \$100 to \$150.

The bottom line is no matter how you cut it, we are talking here about more money out of seniors' pockets, and what is it for? All to pay for a tax cut, most of which will go toward the wealthiest Americans.

I was very pleased today to see that there was an article in the Washington Post by the commentator, E.J. Dionne, Jr. It says, "Blue Smoke and Medicare," and if I could just read some relevant sections from it, Mr. Speaker. It says, and I quote:

The Republicans should admit that the Medicare fight is not primarily about the threatened bankruptcy of the Medicare system. The Republicans did not get into these big Medicare cuts because they feared for the system's solvency. If that were true, they would have made a lot of noise last year when Medicare's trustees issued a slightly more gloomy report on its finances.

We know that, in fact, Medicare has never really been in better shape, that the part A trust fund that pays for hospital bills right now has a 7-year life expectancy, which is significantly

more than the 2 or 3 years that was reported by the trustees of Medicare in previous years, and Mr. Dionne goes on to say that:

The Republicans also have to stop denying that there is a link between their tax cutting plans and the Medicare cuts. It is simply true that they need huge cuts in Medicare and also Medicaid to finance their budget balancing promises and their tax cuts. If the Republicans really believe that these tax cuts are as right and as important as they claim, they ought to be shouting from the rooftops that their excellent tax cuts would be impossible without Medicare and Medicaid cuts. The Republicans don't want to admit this for purely political reasons.

Mr. Speaker, I just want to continue to point out on a daily basis how significant the level of these cuts are and what a dramatic impact they are going to have on America's seniors, both by increasing the cost to seniors and providing less quality service.

MEDICARE AND MEDICAID CUTS

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

Mr. MILLER of California. Mr. Speaker, my colleagues from New Jersey and Texas were in the well earlier pointing out the flaws of the yet-to-be-released proposal by the Republicans to cut the Medicare Program in this country and to cut the Medicaid Program in this country. It is very important certainly that the senior citizens of this country, but also that their families, focus on what the Republicans are about to do.

As my colleague from New Jersey just pointed out, these changes in Medicare were not created out of the concern for the Medicare Program or its solvency into the future or for the beneficiaries. These cuts in the Medicare Program were created for one purpose, and that is so that the Republicans can fund a \$245 billion tax cut, the primary beneficiaries of which are the richest people in this country.

Mr. Speaker, they do not have \$245 billion to give away. We have a \$260 billion deficit this year and we have a \$4 trillion deficit in this country. We do not have that money to give away, but they want to give it away. So where have they gone to get the money? They have gone to the Medicare trust funds to get that money and that is why they have a \$270 billion cut in Medicare and a \$182 billion cut in Medicaid.

Now, most people think that somehow they are insulated from those cuts in Medicaid, that this only deals with poor people, this only deals with people of the inner city, somebody that they are never going to be part of. The fact is that over 65 percent of all of the money in Medicaid goes for nursing home and long-term care for people who never thought in their lives they would be in those nursing homes or in long-term care. Medicaid is what stands between not only the people in

the nursing homes and bankruptcy; it stands between bankruptcy and their families, because there are very few, if any, middle income families in this country that can pay the full freight of taking care of the long-term care needs of their parents, if necessary. That is why we have Medicaid.

Now, to be eligible for Medicaid, you have to spend yourself down, get rid of all of your assets, and then we will take care of you, but under this proposal to cut \$180 billion, we may find that situation dramatically changed because they will have to change the benefits dealing with long-term care. They will have to change the benefits dealing with home health care, the idea of having somebody come in instead of putting somebody in a nursing home, have somebody come in and help them throughout the day so that they can live in their own home, live with some dignity, be in the neighborhood that they are familiar with and be taken care of. Those are going to be cut.

These are not charges made by me. These are points made in the National Journal that was delivered to Members of Congress. This is a nonpartisan policy magazine that discusses policy every week, and their point is in fact that the Medicaid cuts are going to have horrific impacts on the States.

They go on to point out that much of the rhetoric about how these Medicaid cuts will not hurt because everybody can be put into managed care, and therefore they can say that Medicaid will not grow more than 4 percent.

Mr. Speaker, the State of Arizona has had everybody in their State in managed care for 13 years and the average increases are 7 percent. That means, under the Republicans' plan, it is twice the growth rate that the Republicans would allow. How do you make that up? You make that up by cutting services, because they have already squeezed all of the savings that they thought were possible by putting people into managed care.

How did the State of California, when it cut Medicaid, how did it make it up? It started reducing payments to doctors. First they told the doctors, "we will pay you 90 percent of what you get in the private marketplace;" then, "we will pay you 70 percent of what you get in the private marketplace" and then pretty soon the doctors told them, "Don't bother bringing Medicaid patients to us. We are not going to take care of these people because we cannot afford to do that."

That is the slippery slope that is started when you start creating a medical system based upon the needs to provide tax cuts as opposed to what is needed to reform and take care of the Medicare system and its recipients, and we have got to understand that the program that the Republicans are putting forth now, according to the Washington Times yesterday, according to the chairman of the Budget Committee, may have the gap of about \$80 billion in it. They do not know where