

of us who knew Gusty were not surprised by her positive attitude and fighting approach toward the disease. We had seen her tackle every aspect of her life the same way. While the disease finally took Gusty from us, her legendary advocacy continues to reap benefits for people throughout her district, our State and our Nation.

We will always think fondly of Gusty Hornblower.

HEROES ALWAYS STEP FORWARD

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

Mr. FOX of Pennsylvania. Mr. Speaker, in the face of tragedies in America, heroes always step forward. America has faced its share of tragedies lately. The destruction of TWA flight 800, the criminal bombing of Centennial Park at the Atlanta Olympic games, the bombing of the Federal building in Oklahoma City, and the explosion at the World Trade Center in New York are among just a few.

While the Nation reacts in shock and mourns for the victim, a few put aside their grief to do a job they have been trained well to do. They move quickly and efficiently among the chaos to tend to the needs of victims, like phantoms among the smoke and debris in an effort to find a cause. They are emergency personnel, and they have never failed to bring order, provide comfort and extend needed care during our Nation's darkest hours. America's emergency personnel, Federal officers, police, firefighters and emergency medical personnel are all too familiar with crisis management, and in our anger and grief they are easily overlooked.

As I recently watched the events unfold off the coast of Long Island and in Atlanta, I was struck by the fact that there are always great Americans willing to help others in need, and at no small cost. No one can provide adequate comfort to those who have lost loved ones in the explosion of the TWA jumbo jet, but these men and women are there to try.

It is difficult to recapture the spirit of peace and joy which the Olympics are supposed to represent after a terrorist act, but these people helping others may represent the good in humanity just as surely as the young competitors do, as well.

In my own home area, we have seen in Montgomery County, PA, our volunteer firefighters, police, local police, rescue squad operators, emergency medical personnel and ambulance service professionals, how often we turn to them for assistance. How many of us have turned to a police officer for help? How many people stranded during the blizzard of 1996 turned to others for help? When the floods came to our community, our home-grown heroes responded.

Nobody knows what makes an individual respond in the face of tragedy,

often without regard to his or her own safety. But that is the American spirit. Perhaps catastrophe sparks the flame, Mr. Speaker, of human compassion in them. Maybe the fires of disaster temper the steel of their resolve.

Whatever the reason, we must remember that they too are affected by such calamities, and we must do everything possible to address their needs when the work is done. Studies indicate that the emergency personnel and law enforcement officers often suffer long after the crisis is over.

Many people who assisted the victims in Oklahoma City are now trying themselves to recover from the horror that they witnessed. Many will never forget the faces of those they could not help, especially the children. Perhaps their long-term suffering is due to the fact that they put their own emotions aside at the time of crisis to help others in greater need. Whatever the reason, it is important to remember that these individuals often represent hope in a sea of despair, and we must be there for them when the crisis is past.

Americans are defiant in the face of terrorism, we are resolved in the wake of natural disasters, and these American heroes ignite the flame of the human spirit and strengthen our will in the face of all adversity. God bless our volunteers, and God bless America.

STATUS OF MEDICARE ON ITS 31ST ANNIVERSARY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, today is the 31st anniversary of the creation of Medicare. On July 30, 1965, President Lyndon Johnson traveled to Independence, MO to sign Medicare into law at the home of President Harry Truman who had been fighting for Medicare for 20 years.

The Democrats today had a birthday celebration for Medicare with senior citizens and Vice President GORE. Basically, what we are celebrating is the 31st anniversary of Medicare because it has been such a success in terms of a Government program that may very well be the most successful Government program. We want to renew our commitment to protecting Medicare from deep cuts and work to continue its solvency for many years to come. That is why the families first agenda that the Democrats have put forward includes the protection of Medicare as a key element of a balanced budget proposal.

□ 1800

This followed the lead of President Clinton, who proved this winter that the budget can be balanced while still extending Medicare solvency into the next century.

Mr. Speaker, I just want to reiterate that the creation of Medicare did not

happen overnight. On the contrary, it took 13 years to finally make Medicare a reality for our Nation's seniors. Against staunch Republican opposition, Medicare passed the House and the Senate in 1965.

Since the Republicans took over Congress in 1996, 30 years later, and for the first time since before the creation of Medicare, one of their first acts was to basically make significant changes or suggest significant changes in Medicare so that it would not be Medicare as we know it. A lot of this was done without hearings, without any real input, in my opinion, from the American people, and I think it was the wrong way to go.

Fortunately, Democrats spent most of 1995 and also a good part of 1996 fighting against these Republican proposals, which would have significantly changed Medicare and I think made it into a program that we would not have recognized.

I wanted to stress today, on the 31st anniversary, that prior to Medicare less than 50 percent of all seniors had any health insurance at all. Today, on the other hand, over 99 percent of America's seniors can rely on Medicare's services.

So the reason Medicare was established was primarily because many senior citizens did not have health insurance. It was a need that was very much felt back in 1965.

Prior to Medicare many seniors were faced with the dilemma of choosing between food, shelter, or health care. Now America's seniors are living longer and can be assured they will have quality health care services.

In 1965 there were Republicans in Congress, including most notably then Congressman Bob Dole, who ardently fought the creation of Medicare. In 1965, 93 percent of the House Republicans, including Bob Dole, voted for a substitute that would have killed Medicare as we know it. In 1995, 30 years later, Senator Bob Dole and Speaker GINGRICH attempted to change Medicare as we know it by cutting \$270 billion for tax breaks for the wealthy.

Last October, Senator Dole stated, "I was there fighting the fight, voting against Medicare," referring to his opposition to the program in 1965. It is no wonder, then, that many Democrats doubt the Republican leadership when they say that they care about Medicare or they want to fix it. We know that many of them, most of them in fact, in 1965 opposed it, including then Representative Dole, who is of course now the Republican Presidential candidate.

We also quote, and I have quoted many times on this floor, Speaker NEWT GINGRICH, who last year stated, "We don't get rid of it," that is Medicare, "in round one because we don't think that's politically smart, but we think it's going to wither on the vine."

Again I would point out that although Speaker GINGRICH has recently said that perhaps he did not mean what he said in terms of Medicare withering

on the vine, if we look at the Republican proposals that have been put forward in this Congress, in effect what they do is they make Medicare wither on the vine because they provide a situation where there is so much money taken out of the program, again primarily to finance tax breaks for wealthy individuals, and they make so many changes in the Medicare program that essentially force seniors to choose managed care where they do not have their choice of doctors or sometimes even their choice of hospitals, so that the changes in the programs and the cuts in the program ultimately will make Medicare as we know it wither on the vine.

Just to reiterate some of the things that would come about under the initial Republican plans, again the changes have been vast. When this Congress started out in January of 1995, there were some drastic changes in Medicare that were proposed then and we have seen the Republican position change a little almost on a monthly basis ever since then. But if we go back to the initial Republican plans, those that were put forward in January of 1995 when this Congress began, when the Republican leadership was in the majority for the first time in 40 years, under that initial Republican plan, seniors would have been faced with additional copayments, increased premiums, increased deductibles, rationed care and a limited choice of doctors. Medicare eligibility would have gone from 65 years of age to 67 years of age, and Medicare availability ultimately would have only been available to the neediest of seniors.

As Democrats began to speak out against these proposals, beginning in the early part of last year, many of these proposals were dropped. But the Gingrich-Dole Medicare plan of 1995 was still a plan to end Medicare as we know it. It did call for a substantial increase in costs to seniors while, at the same time, providing less in terms of quality of service. It called for cuts of \$270 billion. Seniors would have to pay more and get less. They would have been forced into managed care with no choice of doctors.

Last year I was here on the House floor on the 30th anniversary of Medicare and Democrats stood with seniors to protect Medicare from Republican raids. One year later we can say that we defeated Republican efforts to enact the Gingrich-Dole Medicare plan, but I need to stress that this war is not over. Although Medicare, because of Democratic opposition, because of President Clinton's opposition, basically these Republican proposals that change it have essentially been dropped and are really not talked about any more, but I have to stress that the war is not over.

The Republican leadership has a new budget blueprint they unveiled in 1996, earlier this year, that calls for \$168 billion in cuts for a tax break slush fund. Seniors, again, would be forced to pay

more and get less. In addition, this new plan will allow doctors to overcharge seniors for providing health care services. And current law of course protects seniors from these excessive charges.

All I can say is that Republicans are at it again. I think it is very important, Mr. Speaker, on Medicare's 31st anniversary today to affirm that Democrats remain committed to improving Medicare in a common sense fashion. Unlike our Republican counterparts, we are not sorry that hundreds of thousands of seniors rely on Medicare. We think it is a good program. We are pleased that it has doubled the number of seniors who now receive health care and we think it is a proven success story, certainly worth protecting.

Now, Mr. Speaker, I just wanted to make a comparison, if I could, between the Republican proposal on Medicare in 1995 and the one that we have this year, which again we have not been hearing much about anymore, but I think it is worth mentioning because it certainly is going to be an issue for many months and many years to come. I just want to go through, if I could, in a little detail, the effect of some of these proposals.

Again, I am going back to 1995, the last year when, as I said, some of the more radical Republican leadership proposals to change Medicare were brought to the floor of this House. And let me just talk about a few of them.

First of all, there was the proposal to double Medicare part B premiums. Many people know that Medicare has part A and part B. Part B covers the doctors' bills, essentially. The Republican proposal basically increased the amount that seniors would have to pay out-of-pocket every month to get their Medicare part B coverage. Again, the Democrats opposed that. And as a consequence, the actual monthly part B premium actually decreased at the end of the year instead of actually doubling as was proposed by the Republican leadership.

The last year's proposal also attempted to eliminate doctor's choice. Some of my colleagues on the other side of the aisle said, "We want to give you more choices because we want to give you the choice of managed care." But as many seniors know, and most people know, managed care often does not allow you to have the doctor you are used to having.

Senior citizens tell me in my district over and over again that the biggest concern they have about Medicare is they want to be able to choose their own doctor. And how did the Republican proposal move people into managed care? It did not say you had to go into managed care, but what it said was you had to provide a higher reimbursement rate for physicians who were in managed care than for those who were not. So there were financial incentives to make doctors as well as senior citizens effectively be forced into managed care.

Another thing that was done that I think was really terrible was the Republican bill last year actually cut Medicare premium assistance for low-income seniors, and here I want to spend a little time saying that there is a relationship between Medicare, which is the health care insurance program for all seniors, and Medicaid, which is the health care insurance program for poor people, for people of low income.

Under the current Medicare law, if a senior citizen is eligible for Medicaid because of their low income, then their part B premium per month for their doctors bills is actually paid for by Medicaid. Well, the Republican proposal that came before the House last year would have eliminated that and essentially said that there was not going to be any guaranteed coverage to pay for the part B premium if you were a senior that was below a certain income.

There were other Medicaid changes that the Republican leadership had proposed that also would have had a negative impact on senior citizens. First, they suggested repealing the Federal nursing home quality standards, so basically the Federal Government would not have any say over the quality of care in nursing homes. They also put homes and family farms of elderly couples at risk for nursing home care, because under current Medicaid law the home of the senior citizen or the spouse who is in the nursing home is basically insulated from the Government's ability to take it or sell it and use it to pay for their nursing home coverage. Well, they would have changed that. It was one of the proposals they put forward in their change to Medicaid last year.

They also made the change in Medicare that would have forced adult children to be financially liable for their parent's nursing home bills. Right now, under current law, if a parent or grandparent is placed in the nursing home under Medicaid, the Government cannot go after the children or the grandchildren to pay the cost.

Some people may say, well, gee, why not let them pay the cost. But the bottom line oftentimes is that money is used by younger people to pay for their own children's college or their own children's education or other purposes and to say that we want to change the law and that they have to take care of their parents or grandparents I think does a lot of mischief.

Now, those were the proposals, those where the aspects of the Republican Medicare bill and Medicaid bill changes that I thought were the most negative and had the most impact in last year's proposal on Medicare and Medicaid. But this year again we have new Republican leadership proposals on Medicare and Medicaid, and I think that the gist of it is essentially the same. Let me just highlight some of the things that I consider the most negative.

First of all, eliminating doctor and hospital choice by forcing seniors into

Medicare managed care plans. Now, again, they take a different tact on how to do this. They will say, my colleagues on the other side will say we are not forcing seniors into managed care. They can still choose between the traditional fee-for-service plan, where they have their own doctor and their own hospital or then can go into managed care. They have the choice. But what this new Medicare proposal does is to say if you stay in the traditional Medicare plan, where you choose your own doctor, then you can have unlimited what we call balance billing. In other words, the doctors can charge you an unlimited amount over and above what Medicare pays.

Obviously, we can see that the senior does not really have a choice, because if they have to pay all that extra money they will go to a managed care system because they cannot afford the extra money out of pocket. So again the seniors are forced into managed care, where they do not have a choice of doctors. The way of doing it is different from last year, but the effect is the same, the long-term effect is exactly the same.

I see my colleague from Connecticut, Congresswoman DELAURO, is here to join me, and I know she has been out there every day for the last 18 months basically bringing up how terrible these changes in Medicare are that the Republican leadership has proposed, and I would like to yield to her at this time.

Ms. DELAURO. Mr. Speaker, I want to thank my colleague very, very much for carrying the discussion and the debate on this critically important issue, and I know he shares what I do today, a sense of history, a sense of great accomplishment on the part of this great Nation of ours, when 31 years ago the Medicare system was signed into law by President Johnson.

It truly is a day of real historical value for all of us, and we congratulate those who put their vision, their commitment, their compassion, their view of what the values of this Nation is all about, they put that forward and said what we need to have to do in this Nation is that seniors need to have health insurance. Nation is that seniors need to have health insurance.

The facts spoke for themselves. In 1959, only 46 percent of seniors had any kind of health insurance. We hear the tales all of the time about there being no place to go. Families had to be the sole support for their loved ones if they were ill and that they did not have any help in doing any of that, and so many people's health was put into jeopardy.

Today what we have is a direct reversal of that problem back in 1959.

□ 1815

Today 99 percent of seniors are covered for health insurance and it is a direct result of the Medicare system. So that this is a program, it is more than a program. It is not a program. It says something about what we value in the

United States, what our values are, what our priorities are. That in fact, those who reach the age of 65, those people who have played by the rules, who have contributed so much to our society, who have paid their dues, if you will, they need this opportunity to have the benefit of being able to one more time pay again but to get some assistance and have a health insurance system that is available to them, that is guaranteed to them, and that makes them independent; that does not make them dependent on their children, and it gives them a sense of dignity and a sense of security in their retirement years.

That is what is the historical value of this anniversary this, 31st anniversary of truly making health insurance for seniors one of those values on which this Nation stands.

My colleagues from New Jersey joined with me yesterday in the Families First hearing on protecting Medicare, and it was one more instance of that highlighting of the difference that this program makes in the lives of 37 million people. And what we are concerned about and what he has expressed his concern about is one more time we are looking for the second year in a row, quite frankly, though this is not also without a historical past, we have known some folks, including the current candidate for the Presidency in the Republican Party, Bob Dole, who was out there and he goes back, saying he was proud that he cast his vote against Medicare because it was a program that did not work. So he has a history on this issue.

But we have seen the unbelievable attempt to cut the Medicare Program in the last 2 years with this Republican leadership, first to the tune of \$270 billion and if you juxtapose that with the \$245 billion in a tax cut for the very wealthy that the Republicans wanted to provide, I do not believe that there is a coincidence in those numbers. We are now back again for the second round of cuts that talk about \$168 billion and their tax package for the wealthy that runs around \$176 billion. So again these numbers are not coincidental.

What I think is interesting to find out is that we have a prelude of what we are talking about in the future, and in the immediate future. The Wall Street Journal yesterday indicated, there is an article there that describes Senator Dole's new tax plan, or at least what they view as his potential new tax plan, which is expected to be released next week.

I want to read this because I think it is important about what portends for the future. Mr. Dole and his advisors now contemplate a tax cut of Reaganesque proportions. Fifteen percent across the board for individuals. That is almost five times as large as what the congressional Republicans included in their latest budget plan. Five times as large. It would cost more than \$600 billion over the next 6 years, this 15 percent tax cut.

Now, there was another article in the Wall Street Journal that tried to figure out what happens, where this money begins to come from, and it is without question, I mean what they did not do was to say specifically this is the program that it comes from, but there was no indication from Bob Dole as to how he plans to pay for the massive tax break. And no one knows how he intends to pay for it, because that information is being held very closely. I hope next week, if he introduces the program that in fact what he will do is to let the public know how he intends to pay for it.

But what is clear, and at our hearing yesterday was Lawrence Shimmerin, the managing director and chief economist at the Economic Strategy Institute. He said that you are going to have to take a look at a whole variety of programs from which there will be cuts. And that includes education, it will include infrastructure, roads, bridges, the construction of schools, a whole variety of programs, again which demonstrate some values when you talk about education and the environment and what we want to do to try to put people to work, that the money is going to have to come from there. Then when we asked him, he said in effect that the money is going to have to come from programs like Medicare.

So that, in fact, we are looking at, with the introduction, the potential introduction of this tax plan by Bob Dole, what we are going to see is another round of cuts to the Medicare Program. And when you are looking at \$600 billion over the next 6 years, our colleague from the other body, JIM EXON, said that we are potentially looking at \$313 billion in cuts in the Medicare Program.

So that this is not something that is an idea that is not being nourished, and not being nurtured and prone to be moved. Bob Dole is going to introduce this plan in the next week or 2 weeks. So what we are going to do is to see an amazing escalation of those costs and cuts in the Medicare Program, because there are not going to be too many places to which you can go to make those kind of cuts.

If we think about future direction and we look at the historical past where we have Bob Dole saying that he was happy to fight the fight and be 1 of 12 and vote against Medicare because it did not work, we can understand the move to this massive tax cut and what that means to the Medicare Program.

Now, I will stand here and tell you as I know my colleague is, I am a believer in tax cuts. Let us make sure that working families are the beneficiary of those tax cuts. If we provide people with the opportunity to take a tax deduction of \$10,000 a year in order to finance the education for their children or to have the opportunity themselves to get skills training and education, if they need that in order to further their

own job, their career ladder, we ought to target those tax cuts. But if we are looking at using Medicare as the piggy bank to finance those tax breaks, then it really is unconscionable and it is wrong and it is an outrage.

I will just make one or two other points to my colleague, as I say, to say that we have an historical legacy here. We have the Speaker of the House talking about wanting to see the Medicare Program wither on the vine, and that people will voluntarily leave it, though he is trying to walk away from those comments. But you cannot walk away from what you have said. Your actions and your words are there for people to take a look at.

We even have had BILL THOMAS, who is on the Health Subcommittee, refer to Medicare as a socialist program. The kinds of language in which people talk about the Medicare system. DICK ARMEY said he would not want to be a part of such a system in a free world. And these are the folks who come to tell us and to tell the American people, whether they are our seniors or whether they are the families of seniors that trust us, what we want to basically do is to slow the rate of growth. In fact, what they are doing is cutting the Medicare Program, jeopardizing the health care of seniors and putting them in a position where they will have to pay more, or that they will lose the choice of doctors. And in some places in this Nation, we will watch hospitals close down and, in fact, people who deserve to have health insurance and health care at this time of their life will not have the benefit of that.

It is hard, as I said, to walk away from the commentary that people have made over the recent past and the more further past and to have them now come forward and say that they are going to try to make the program a better program. Their goal truly is to dismantle this program which works. My constituents believe it works. They believe it needs to be fixed. Sure they do, and it does.

The trustees said there was \$90 billion that we needed in order to, in the short term, make the program solvent. We need to have a bipartisan commission to take a look at the long term, whatever that means. Nobody disagrees with that. What they do disagree with is ending a Medicare Program, of leaving people behind, taking that 99 percent and beginning to move it back to the 46 percent of seniors who had health care in this country. That is what cannot happen.

What we ought to be debating on this floor, what we ought to be talking about is how we make the Medicare system stronger; how, in fact, we do something about long-term care for people in this country; how we do something about the cost of prescription drugs; how we deal with home health care. And that is what direction we ought to be going in.

We ought to be building on what we have, not unraveling what we have in

this great country of ours. And as my colleague was talking about, this whole notion of overcharging today, of removing the restrictions on hospitals and doctors that prohibit them today from overcharging Medicare recipients, how can we in good conscience stand here and talk about that as a way to fix this program?

What is wonderfully interesting, though, is that I think in your community, in my community, the folks see through what is going on here. And that in and of itself is rewarding because they are fighting the battle against what the Republican leadership is trying to do. They made that fight last year, and I know they are going to make the fight this year.

But for today, it is happy birthday and it is happy anniversary to a health insurance system that works for the people that it was intended to help. And that is the Medicare system. And we need to once again pledge that we are going to make sure that the system stays here, that it is a better system and it is going to be a good system for people in the future, and I thank my colleague for his leadership on this issue.

Mr. PALLONE. Mr. Speaker, it is not my intention to necessarily use all of our 60 minutes that is allocated tonight, but I do think it is important and I know that the gentlewoman from Connecticut stressed some of these points, but I think that it is very important for us as Democrats to point out that right now in 1996, on July 30, 1996, the Republicans still have a plan out there to cut Medicare and to make the drastic changes in the Medicare Program that effectively would destroy Medicare as we know it.

I am afraid that not only our colleagues but certainly a lot of the American people do not really understand that at this time. There has not been that much discussion about Medicare on the Republican side in the last few weeks or months, but the fact of the matter is that there is a new plan out there to cut Medicare and to change it drastically. And I wondered if I could reiterate some of these things that are on the table right now because I think it is important to stress it.

The gentlewoman mentioned that although in 1995 we had this Republican proposal that would have cut \$270 billion from Medicare primarily to pay for tax breaks for wealthy people in 1996, the budget that we are now operating on that was passed here in the House by the Republicans, without Democratic support for the most parts, calls for essentially the same kind of Medicare overhaul plan that they put forward in 1995.

□ 1830

I think the gentlewoman mentioned that the budget contains \$168 billion in cuts in the Medicare Program over 6 years in order to pay for \$176 billion in tax cuts, again targeted primarily on the wealthy. So I mean it really is not

any different. I want to stress that because I think it is important to make it known.

Ms. DELAURO. The gentleman is absolutely right. If we take a look at it in terms of percentages, they were talking about \$270 billion over 7 years. They are now talking about \$168 billion over 6 years. It went from a 19-percent cut to 17-percent cut, which is just the same as you have said. So, they are doing the same exact thing that they did last year, when there was such an outcry. People really truly do need to understand that.

I want just one more point which I believe it was the pundit or the journalist Morton Kondracke asked the third person in charge of this Congress, the gentleman from Texas [Mr. DELAY] said: You know, the public thinks that the Republican leadership has been extreme or at least there is the view out there by some that the Republican leadership has truly been extreme over the last 18 or 20 months. If you are back in the majority again, will you be engaged in the same kinds of initiatives that you were in the 104th Congress?

He talked specifically about Medicare, and he said that they would once again do the same thing. So it is 270, it is 168, it is the same thing.

It was not only in this Congress, their intention is, if they get back to the leadership here again, to do the very same thing again in the future. So it is the very, very same argument. My colleague is right to point out that we cannot lose sight of that.

Mr. PALLONE. The other thing, too, that I want to stress is that these cuts are not needed to save the program. Again, we are not hearing much from the other side about Medicare anymore, so we do not hear much about their effort to save the program anymore either. But we know that this level of cuts is not necessary to save the program. Again, it is being used primarily to pay for tax breaks, and those tax breaks are primarily for wealthy Americans.

In fact, according to the Congressional Budget Office, the Medicare cuts, and again not to stress it, but there was a level of cuts much less than that was proposed by the Clinton administration. And they would in fact have extended the life of the Medicare trust fund for virtually as long as the GOP Medicare plan.

So, if we simply adopted the suggestions that the Clinton administration made, which would not have made those deep cuts to finance these tax breaks for wealthy people, we would have extended the life of the Medicaid trust fund and eliminated all the questions that have been raised about potential insolvency of Medicare. Those could be brought to the floor today if the other side was willing to accommodate and go along with what the President has said. They do not want to do it because they want to keep out there those tax breaks.

Ms. DELAURO. The trustees, which were, as my colleague will remember, there were so many on the other side of the aisle that held up the trustees report day in and day out. The trustees said \$90 billion for the short-term solvency of the program. As I have suggested, I think we need to have a bipartisan commission look at the long-term solvency. We did that on Social Security. We can do that here.

The President, I think he has talked about \$116 billion, that you could extend the life of the program, as my colleague pointed out. But they are committed to these tax breaks for the wealthiest Americans, the wealthiest, the most privileged in our society, and they cannot get off that kick. That tax cut was what NEWT GINGRICH called the crown jewel of the Contract With America. And whether you take the \$245 billion in the tax cut or you take the \$176 billion that they are talking about now, and if you take that a step further and you talk about what BOB DOLE is talking about, which is \$600 billion over a 6-year period of time, we all know that we are going to look at another round of cuts to the Medicare Program. There is no doubt about that; no doubt, I think, in anyone's mind.

Not only will it be Medicare, but I can tell my colleague that another area that you have great interest in is education and the environment. We are going to see massive cuts in those areas as well.

I do not happen to think that that is what this Nation is about. I think this speaks, we can balance the budget. We can do that. The question is, what are the values that we espouse in that balanced budget. I think we have been given a very, very good indication of the kinds of values that our Republican leadership here in this House espouses.

Mr. PALLONE. Again, we sort of touched on this again, but I just think it is important to stress that once again the Republicans are talking, leadership is talking right now this year about proposals for Medicare that would cost seniors a lot more out of pocket. I think a lot of people believe that because they have not heard about the increase in the Medicare part B premium.

Last year that was the crying call because so many seniors knew that the Republicans had proposed these big increases in part B premiums that they would have to pay per month. This year with the balanced billing provisions and with the level of cuts in Medicare, we will end up paying a lot more out of pocket. I think the figure right now is that under current law the physician can only charge patients up to 15 percent above what the fees are that Medicare sets. But if you stay in a traditional Medicare, under the current Republican plan that is on the floor now, that figure is unlimited.

In addition, I know that the gentlewoman has pointed out previous times on the floor that with the cuts in the level of services that would come from

this level of cuts in Medicare, we are going to see tremendous increases in Medigap insurance because Medigap is going to have to cover more because of the lack of funding available for Medicare. So seniors would be faced with these overcharges by the physicians, higher Medigap premiums, and the list goes on.

Ms. DELAURO. Mr. Speaker, I think there is one point that my colleague made which I think we need to remake. It is not so much sometimes people do not understand the term balanced billing. It is the overcharging. Right now there are prohibitions on hospitals and doctors that they cannot charge the individual recipient for the difference in what Medicare will reimburse to the physician for their service. So that in fact the recipient cannot have that burden of the extra charge as put on them. That is lifted. Those prohibitions are gone, which means that doctors and hospitals can charge the individual, the Medicare recipient, for what they view as what their fee is over and above what Medicare will reimburse them for.

This is direct out-of-pocket costs, direct out-of-pocket costs.

That is real. That is what is in this proposal right now. And we cannot, people cannot lose sight of that, because it is not so much that the part B program is going to double the way they had it going last year. But this is kind of hidden in the language as to what is going on here. People truly do need to be educated and made aware of what risk they are for out-of-pocket costs.

Mr. PALLONE. I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I echo the comments of my friend from Connecticut, especially when instead of Gingrich Republicans cutting Medicare to pay for tax breaks for the wealthiest people in this country, cutting it to the tune, originally they started out at \$270 billion and finally reacted, when the public reacted so much against these major Medicare cuts in order to pay for tax breaks for the wealthy under the Gingrich Medicare plan, instead of letting the Gingrich Republicans make those cuts to do that, we should be going after fraud in Medicare, the whole balanced billing issue that Ms. DELAURO mentioned that will cause more waste in Medicare and will cause more Medicare beneficiaries to have less services at higher cost.

What they tried in the Medicare and the Medicaid bills, what the Gingrich bills on Medicare and Medicaid said last year and this year, that to allow physicians to refer for any kind of services, diagnostic services, MRI's or others to facilities that those physicians own, we have in this body, long before any of the three of us were here, tried to go after some of those fraudulent aspects of Medicare anyway, to make sure that people really were getting their dollars' worth and doctors were paid properly, that hospitals were re-

imbursed properly and that patients had an opportunity to get good health care at the lowest cost possible.

Now we are opening the floodgates, when there is already, according to the GAO, already something like \$100 billion in fraud in Medicare over 7 years that we could recover, they are opening the floodgates more so we could have maybe twice as much fraud.

The fact is, instead of giving these tax breaks, instead of cutting Medicare and giving tax breaks to the wealthiest people in the country, as Speaker GINGRICH and the Republicans want to do, we should be going after these in a variety of different ways, some of these fraudulent practices that have happened in Medicare, go after some of the double billings and some of the problems that we have seen, not opening up the floodgates so there can be more.

It is clear that that is the way to deal with the Medicare, that is the Medicare solution for now, rather than making major cuts and saying, you are trying to save it, when clearly it is almost comical, if it were not so serious, when Speaker GINGRICH and the leaders in the other body stand up and talk about, we are going to cut Medicare \$180 or \$270 billion, whatever their number of the day is in order to save it, it is almost comical, if it were not so serious, except that in the sense that these are the people that voted against Medicare when it was created. These are the people that have never tried to fix the program when it has needed minor fixing. These are the people that called it a socialist, no-good program. Citizen Dole has said that Medicare, he was proud of being one of 12 people that voted against Medicare because he knew it would not work, he said.

Speaker GINGRICH has said over and over that Medicare will wither on the vine under the Gingrich Republican proposals. It is clear they have never had any interest in this program. They are not trying to save it. They are trying to privatize it and ultimately turn it into a welfare program that simply will not serve the 99 percent of the senior citizen population of this country that Medicare now services.

Mr. PALLONE. I am really pleased that you brought this up because a lot of times when I talk to senior groups they will say to me, why do the Republicans want to make these changes. People generally feel that elected representatives that come down here want to help them. They do not assume the opposite.

And I say, well, on the one hand it is the tax breaks for the wealthy. But on the other hand it is the special interests. There are changes in this legislation that the Republicans proposed, changes in the Medicare program that are strictly special interest oriented for their friends. And one of them you mentioned is with regard to fraud.

One of the things you remember in the Committee on Commerce, one of the things that most upset us last year

in 1995 was the weakening of these antifraud and abuse provisions. Instead of using the opportunity to strengthen them, because we know there is a lot of fraud, the Republican leadership proposal actually weakened the antifraud and abuse provisions.

Briefly, and then I will yield to the gentlewoman from Connecticut, there was the example that I could just cite where the GOP bill relieved hospitals and doctors of the legal duty to use reasonable diligence for ensuring that the claims they submit to Medicare are true and accurate. That sounds like a lot of legalese but it is very important, because if you weaken that standard, then it is much easier for doctors or hospitals to abuse the system. That was actually in the bill. We fought very hard to point that out and to stop it from becoming law.

Ms. DELAURO. My colleague is absolutely right. It is a question of who they want to help. We do come here to help, but it is a question of who they want to help. And you will hear the argument over and over again that what they want to do is to save the program, that they want to slow the rate of growth. And nobody suggests that we should not deal with the fraud and abuse pieces because fraud and abuse in the entire health care system is about 10 percent. We spend about \$800 billion for health care in this country every year so it is about \$80 billion roughly.

There is fraud and abuse in the Medicare system. We ought to go at it and root it out. As both of you have pointed out, what they did was absolutely contrary to that goal by making it easier for people to abuse the system.

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But what I find that is rankling in the argument that is made is that what we want to do is to hold the cost of Medicare down. Noble cause. Noble cause. However, why are we trying to hold the cost down of private insurance? Why are we not trying to hold the cost down of prescription drugs? Why are we not holding the costs down in every other section of our health care system but only want to hold the cost down and stick it to seniors?

We tried in the last session of Congress to pass health care reform and we failed. I think the goal was good, but we may have moved too quickly, too fast, taken on too much. But the issue there, the single biggest issue, was to slow the rate of growth down for the entire health system, not just one piece of it, and everybody agreed that you could not just hold the costs down in one place while everything else was still rising.

Why are we not going after some of the other parts of this health care system in the same way that they would like to go after the Medicare system and particularly the beneficiaries in the Medicare system by increasing their out-of-pocket costs, allowing them to have limited or no choice in their doctors and helping to close down

health care facilities in this country, and all, all of that, not to save the system, but to provide a tax cut for those who through their own wherewithal have done very well; nobody takes that away from them, but the most wealthy and the privileged should not increase their wealth at the expense of people who are vulnerable and in the senior years of their lives.

Mr. BROWN of Ohio. I would add, if the gentleman would yield, to what the gentlewoman from Connecticut said about the efforts to hold costs down or to cut the growth in Medicare. I mean I have heard over and over and over again from the most conservative people in this House, who on the Republican side have always opposed any program like Medicare, calling it socialism, saying it is a terrible program, it is big government, all of that.

They have all said we are not cutting Medicare, we are slowing the rate of growth, and that is what they say over and over and over again and try to drum that into the heads of America's elderly, saying we are not threatening Medicare.

The fact is slowing the rate of growth when more people are on Medicare means less money for each older beneficiary. It also means there is a higher cost for medicine which goes up and for health care. It means less per person, and third what it means, as the gentlewoman from Connecticut was alluding to, is as special interests cash in more and more on the Gingrich Medicare plan, it means less monies available.

So you already have a shrinking pot of money for America's ever increasing number of elderly, and that pot shrinks even further when more people are, to mix a metaphor, when more people are at the trough, more special interest groups that have fought to have all of these antifraud provisions taken out.

So we are going to see more fraud. While GINGRICH is trying to cut Medicare, if he is successful, and the number of dollars does not go as far as they do today, we are also going to see more special interests feeding at the trough and taking even more dollars away, which will mean ultimately fewer dollars for Medicare beneficiaries. It will mean fewer services. It will mean higher premiums and copays and deductibles. It will mean ultimately a privatization of Medicare which spells the end, and that is why Speaker GINGRICH talking to that group of insurance executives, talked about Medicare withering on the vine.

If you remember what he said when he was talking to insurance executives who salivate in a sense over what he wants to do with Medicare so insurance companies can get more and more, as Medicare is privatized under the Gingrich plan insurance companies can get more and more involved in it. That is why the Speaker said:

We didn't get rid of Medicare in round one because we don't think that's politically smart. We don't think that's the right way to go through a transition. But we believe it's going to wither on the vine.

And under his plan he is right. It will wither on the vine as more and more private interests, special interests, get involved in Medicare and take more money out leaving less money for the beneficiaries that have paid into Medicare their entire lives leading up to their retirement and continue to pay into Medicare through their whole lives into part A and part B.

That is in the end; right. The Gingrich plan is bad for older people. It is bad for Medicare; ultimately bad for all of us as a country to just give up on our elderly like that, which is what will happen if it withers on the vine.

Mr. PALLONE. Well, as my colleagues know, the best example I think of that is how they included, the Republican leadership included the provision for Medicare savings accounts. Because as we know, the MSA's is another word for them, I guess, were primarily touted by this one insurance company, Golden Rule Insurance Co., that had contributed over a million dollars to the Republican campaign.

Ms. DELAURO. If my colleague will just yield on that point?

Mr. PALLONE. Sure.

Ms. DELAURO. The third largest contributor to the Republican Party, Golden Rule Insurance.

Mr. BROWN of Ohio. And yield a moment further. Not only did that company give a whole lot of money to the Republican campaign funds, all of their different funds and all of their different guises that Speaker GINGRICH has set up, but the Speaker has absolutely gone to the wall for this concept for this company, medical savings account, time after time after time when we have tried to pass legislation that would deal with preexisting condition.

We have tried to pass legislation that deals with portability so someone can move from one job to another job and without losing their insurance. Every time we have tried to legislatively find a solution to that, which we have been able to do in both Houses in a bipartisan way, the Speaker is always saying we have to have medical savings accounts as part of this deal, and that is how it has failed because medical savings accounts do not work, particularly in Medicare they do not work, and it will ultimately cause the Medicare withering on the vine.

The withering on the vine statement by Speaker GINGRICH is because of medical savings accounts, and the reason that will work that way is Medicare beneficiaries that are particularly healthy, that are 80, 68 years old and in very good health might leave Medicare temporarily to join a medical savings account, will not cost much to insure that person in those years, and the sickest people will stay in Medicare, and the Government will pay more for those people that are the most ill.

Then, when that 68-year-old gets to be 75 and begins to get sicker, that woman or that man would go back into Medicare, and the Government would have to pay more and more money to

insure them while the insurance companies—company or companies that write these medical savings accounts will reap all kinds of benefits from the Medicare Program.

So in addition to that \$180 billion that GINGRICH wants to cut Medicare, you are going to see more money of what is left going into these insurance companies through these medical savings accounts and the elderly and the beneficiaries for Medicare will have fewer and fewer dollars, will pay more and more for those benefits as they continue to decline and wither.

Mr. PALLONE. I do not have the exact number, but I know that the Congressional Budget Office actually estimated that the medical savings accounts would cost the Medicare system billions, billions and billions, in extra dollars.

So here we have a Republican plan that supposedly is cutting Medicare to save money for whatever reason we know as tax breaks for the wealthy, and the CBO is telling us it is actually going to cost more because of the special interests and the save provision.

Ms. DELAURO. The Consumers Union; those are the people who publish the Consumer Reports that so many people in this country rely on if they are going to buy an automobile or an appliance or, you know, they take a look at that and they can tell you what the best, you know, what the best buy is, has described the medical savings accounts as a time bomb and that it will just, you know—has a potential of skimming off the top the healthy, the healthiest and the wealthiest of seniors out of the system leaving the most frail, the most ill, and thereby driving the costs of premiums up. In addition to that, of shifting, helping to shift once again, the cost shifting argument of people who are in traditional programs having to pick up the costs of some of these, you know, the increased costs and these premiums.

But there again that is all for, you know, the special interest effort of the Golden Rule Insurance Co.

Mr. PALLONE. I know that we are running out of time here tonight, but I just wanted to thank the gentlewoman from Connecticut [Ms. DELAURO] and the gentleman from Ohio [Mr. BROWN] for joining me and again all we are trying to point out on this 31st anniversary of Medicare is how important the program is and how the Republican efforts basically to cut Medicare to pay for these tax breaks for the wealthy and the changes that they are proposing in the Medicare program will essentially do what the Republicans have said they wanted to do from the beginning, either eliminate Medicare or change it so much that it really does not provide the quality of health care services and the level of health care services that senior citizens should have, and I just want to thank both of you for fighting this battle now.

You pointed out to me, Congresswoman DELAURO, that it is actually 30

months now; I am losing track of time. It is not 18 months, it is 20 months that we have been fighting this battle, and, of course, so far we have been winning, but we do not want people to forget that the Republicans are still out there trying to essentially destroy Medicare as we know it.

Ms. DELAURO. And they will tell you that they are trying to save it, but let me just say this is a value, health insurance for seniors, that has stood the test of time. In fact, let us try to make it better. Let us build on the quality that has allowed for 99 percent of our seniors to have health insurance.

Let us look at how we can make sure that we bring down the cost of prescription drugs, that we provide for home health care which can help bring down the cost of health care, look at long-term health care so people get some relief in that area.

Why are we wanting to take the system that is truly working? Let us fix what is wrong, but let us not destroy something that people have come to rely on in their lives.

Mr. PALLONE. You know, it is sort of ironic because when we started our health care task force, which all three of us are part of, our Democratic health care task force last year, we established two basic principles. One was that we wanted to get more people insured, and the other was that we wanted to improve the quality of care, and it is unfortunate that that is not what the debate has been about. That is what we would like to see, but that is not what the debate has been about.

Mr. BROWN of Ohio. All you have to do is look back 30 years, 31 years in the celebration today of the 31 years since Medicare was signed. Thirty-one years ago half the people in, half the elderly in this country had no health insurance. This is a Government program that works. Ninety-nine percent of America's elderly now have health insurance. We can make it better, but do not dismantle it, do not privatize it, do not turn it over to these special interest groups, these big insurance companies that have given a lot of money to politicians just so they can play with this huge program that has served the American public well.

We have got to deal with costs, we have got to deal with some of the difficulties of Medicare, but it is a program that works. It is a program that has taken care of our parents and our grandparents, and we have got to make sure it takes care of them and it takes care of our generation and the next generation, and we can do that. But it works because it is universal. It works because it insures everybody. It insures black people, and white people, and brown people. It insures Republicans and Democrats. It does not matter, the rich and the poor. It insures everybody, and it works because it is a broad-based insurance program.

Do not let insurance companies peel off the most healthy people and let them benefit from that and leave ev-

erybody else in a sinking ship. Medicare works because it is universal, because it helps everybody in this country, and we just should not mess with it that way.

Ms. DELAURO. We know that in order to bring the cost of health care down that more people have to be insured so that the costs are shared, and we are struggling with how we do that. One of the pieces that we have in the families' first agenda is trying to insure children from zero to 13 years old. But we are trying to get to a point where—because when people are not insured, those, when they get sick, the cost of that health care goes someplace. It just does not evaporate, or disappear.

It winds up that everybody else picks up a portion of it. That is this whole cost shifting idea, and sometimes it is mind-boggling to me that the one system that we have that insures 99 percent of the particular population which helps to keep the costs down is the one that they are going after to try to dissipate to break up, to dismantle, when what we ought to be doing is finding out how we can insure children from zero to 13.

How do we get more people insured who are sharing the costs, not getting a free ride? Nobody should get a free ride, but are sharing the cost of picking up their health care costs or a portion of their health care costs so that those who are insured are not having to pay twice, their own and someone else's.

That is what this is about.

Mr. PALLONE. I think you are making a good point. The bottom line is we know if you see these cuts in Medicare that the Republican leadership is proposing, it is going to have a negative impact on the health care system in general. In my district, and I am sure in the gentlewoman's, I have so many hospitals that are over 50 percent, some over 60 percent, Medicare- and Medicaid-dependent. If you make these cuts you are going to hurt the health care system in general.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

AUTHORIZING THE CLERK TO CORRECT SECTION 585 IN ENGROSSMENT OF H.R. 3592, WATER RESOURCES DEVELOPMENT ACT

Mr. BORSKI. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3592, the Clerk be directed to make a correction to section 585 to change the reference from "Evanston, Illinois" to make it "Evanston, Illinois."

Mr. Speaker, this request has been cleared with the majority.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the