

Insurance Commissioners. They argue that AHPs, and I might add health marts, quote, "substitute critical State oversight with inadequate Federal standards to protect consumers and to prevent health plan fraud and abuse," unquote.

Mr. Speaker, on behalf of patients like Jimmy Adams who lost his hands and feet because an HMO would not let his parents take him to the nearest emergency room, I am going to continue to fight efforts to derail managed care reform by adding those sorts of untested and potentially harmful provisions to a clean managed care reform bill. I pledge to do whatever it takes to ensure that opponents of reform are not allowed to mingle those issues.

Do I think that we could do something on the tax side to help improve access to care? You betcha. We could make available tomorrow 100 percent deductibility for individuals to purchase their own health insurance, and we should. But, Mr. Speaker, adding these other issues into this mix, in my opinion, is a poison pill.

Now, recently I and the gentleman from Oklahoma, (Mr. COBURN) and the gentleman from Georgia (Mr. NORWOOD) have given to the chairman of my committee a draft, a consensus draft on patient protection legislation, and the American Medical Association has written me a letter that contains high praise for that draft. Mr. Speaker, I submit at this time full text of that letter:

AMERICAN MEDICAL ASSOCIATION,  
Chicago, IL, May 12, 1999.

Hon. GREG GANSKE,  
U.S. House of Representatives,  
Washington, DC.

DEAR REPRESENTATIVE GANSKE: On behalf of the 300,000 physician and student members of the American Medical Association (AMA), I would like to thank you for your efforts in drafting a compromise patient protection package for the Commerce Committee. The draft proposal, developed by Representatives Tom Coburn, MD (OK) and Charles Norwood, DDS (GA), and you, is a significant milestone in the advancement of real patient protections through the Congress. We look forward to working with you to perfect the draft bill through the committee process and to pass a comprehensive, bipartisan patient protection bill this year.

It is imperative that a patient protection bill be reported out of committee and be considered on the floor prior to the July 4th recess. The AMA stands ready to help further advance these important patient protections through the committee process, the House floor and final passage.

The AMA applauds the inclusion of "medical necessity" language that is fair to patients, plans and physicians alike. We are particularly pleased with the non-binding list of medical necessity considerations that you have incorporated into the draft bill.

The AMA is pleased with the incorporation of the "state flexibility" provisions that allow patient protections passed by various states to remain in force. Allowing pre-existing patient protection laws to remain in force is critical to the success of federal patient protection legislation such as the draft bill.

The draft bill also offers patients a real choice by incorporating a "point of service" option provision. The AMA supports this im-

portant patient protection because it puts the full power of the free market to work to protect consumers.

We applaud your inclusion of a comprehensive disclosure provision that allows consumers to make educated decisions as they comparison shop for health care coverage. The AMA also notes with great appreciation the many improvements that the draft bill makes over last year's Patient Protection Act.

The draft bill expands consumer protections with a perfected "emergency services" provision. By eliminating the cost differential between network and out-of-network emergency rooms, the draft bill offers expanded protection for patients who are at their most vulnerable moments.

We support the strides the draft bill takes in protecting consumers with a comprehensive ban on gag practices. This is an important consumer protection that the AMA has been seeking for more than six years.

We commend the improvements incorporated in the "appeals process" provisions of the draft bill. The bill represents a major step toward guaranteeing consumers the right to a truly independent, binding and fair review of health care decisions made by their HMO.

The April 22nd draft copy of the bill makes a strong beginning for the Commerce Committee and the 106th Congress on the issue of patient protection and reaffirms the leadership role that you have assumed in the process. While you have raised some concerns about the process, the AMA stands ready to assist in completion of this legislative task. The AMA wishes to thank you for your efforts and work with you and the minority to pass a comprehensive, bipartisan patient protection bill this year. We look forward to working with you toward this goal.

Respectfully,

E. RATCLIFFE ANDERSON, JR., MD.

Mr. GANSKE. I sincerely hope, Mr. Speaker, that the chairmen of these committees of jurisdiction will not substantively change that draft and that they will keep it clean. We need to move this issue in a reasonable time frame. A strong patient protection bill should be debated under a fair rule on the floor soon; not in the fall, but in the next few months. There are an awful lot of people, our constituents out there, who today are being harmed by managed care decisions.

Mr. Speaker, we need to fix this now, and I look forward to working with all of my colleagues to see that real HMO reform is signed into law this Congress.

#### HEALTH CARE REFORM AND NATIONAL DRUG CONTROL STRATEGY AND POLICY

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for the remainder of the Majority Leader's hour of approximately 23 minutes.

Mr. MICA. Mr. Speaker, I first want to comment and compliment my colleague, the gentleman from Florida (Mr. GANSKE) on his Special Order and on his proposal to deal with some of the problems we have seen relating to HMOs and health care. I do want to comment, before I get into my Special Order on the topic of illegal narcotics,

about what the previous speaker has been discussing, and he did bring up towards the end some of the proposals relating to the Patients' Bill of Rights.

I would like to pass on to the Speaker and my colleagues this information: In the previous Congress I had the opportunity, actually for 4 years, to chair the House Subcommittee on Civil Service. In that capacity I oversaw the largest health care plan in the country, which is made up of almost 2 million Federal employees and 2.2 million Federal retirees and some 4 million to 5 million additional dependents; about 9 million people participating in the Federal Employees Health Benefit Program. Part of my responsibilities of chair of that subcommittee was to look at that program, and I remember several years ago when President Clinton proposed a Patients' Bill of Rights to the Congress to be passed to resolve, he said, the issues and problems we have with HMOs, and it was going to be his saving grace for these programs.

Well, we conducted a hearing, and I will never forget that hearing. We had the administration officials in, OPM officials in, and we asked about the President's proposed Patients' Bill of Rights. To a single individual who testified, every single individual who testified said that there was no medical benefit for the proposals under the President's Patients' Bill of Rights, but there was more reporting, more mandates, more requirements, and they possibly predicted more costs. That was several years ago when he proposed that to our subcommittee, the Subcommittee on Civil Service.

Now, he could not pass his so-called Patients' Bill of Rights, and it sounds great, through the Congress. So what he did, and a lot of people did not pay attention to it but we did on the Civil Service Subcommittee, he submitted another one of his fiats. By Executive Order he imposed his Patients' Bill of Rights where he could, and that is on our Federal employees' HMO plan.

Well, lo and behold, before I left that chairmanship, I conducted another hearing just at the end of last fall, and one of the purposes of that hearing was to see what had happened with the imposition of the President's Patients' Bill of Rights on the Federal employees' health care plan. Well, my goodness. We experienced over a 10 percent, on average, increase in premiums, not entirely all due to the President's Patients' Bill of Rights; prescription drugs, I must say, were part of that, but there were very substantial costs that were passed on, and they contributed to almost a record increase in employee health costs. While the rest of the industry was experiencing a 2.6 to 3 percent increase, our Federal employees, Members of Congress too, were getting a 10 percent-plus, on average, increase in their premiums.

One of the things that has made our Federal Employees' Health Benefits Program so good is we have had over 350 different vendors providing a package. We sat and developed a package of

benefits, and then folks bid on it, different companies, and they participated and there was good competition. Lo and behold, at our hearing, again, we got a surprise. Instead of 350 participating, competing plans, we had about 60-plus drop out. So we had increased premiums and we had lower competition.

I just raise that tonight as a good example of a bad proposal by the President as far as his so-called, and it sounds great, Patients' Bill of Rights. That did not even include, his provision by Executive Order did not include the most oppressive part of his plan, which was allowing expansion of lawsuits, an additional cost through litigation and no medical benefits. So if we had adopted the whole plan, there is no telling how high the premiums would have escalated and how many more in free competition would have been forced out.

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

Mr. MICA. I yield to the gentleman from Iowa for just a moment, and I thank the gentleman for yielding time to me.

Mr. GANSKE. Mr. Speaker, I would point out that premiums are increasing by HMOs this year. If my colleagues read the articles in the Wall Street Journal, it is not because Congress passed HMO patient protection legislation, because we did not. We did not pass it last year.

The reason why we have seen an increase in premiums is because the HMOs have mismanaged their risks, and their investors are now saying to them, you have to increase your premiums because we want profits from those HMOs. All of the medical and health experts that I know in this country attribute the increase in premiums by HMOs this year to their own management failures, and do not attribute this to patient protection legislation, which has yet to pass.

Mr. MICA. Mr. Speaker, again, that has failed to pass the Congress. I cite only, and I repeat for the gentleman, our experience with the Federal Employees' Health Benefit Program where the President imposed his own Patients' Bill of Rights by Executive Order and we did see substantial costs directly related to the program. I point that out because we do not want to make the same mistakes he has made by fiat, by legislation.

Of course, that is not the only problem that we have with HMOs and we do need to address some of the mismanagement, some of the lack of access, some of the other problems that we have with it. Again, I cite it as an experience that we conducted hearings on and have very definite facts relating to in our Subcommittee on Civil Service.

Mr. Speaker, my other reason for coming forward tonight is again to speak on the question of our national drug control strategy and policy. Tonight, I am very concerned that in a

pattern of repeated mistakes by this administration and failure to properly manage our international narcotics control efforts, we face another disaster. We have had a series of repeated foreign policy disasters, and if I may just run through them, and again, I do not mean to do this in a partisan manner, but this is factual and we have had a history of just disastrous foreign policy decisions by this administration. I will close tonight by citing the most recent.

First, of course, when I came here, President Bush had instituted a policy in Somalia of trying to provide human relief, humanitarian relief in that country that had civil conflict. It is unfortunate that this administration from the very beginning turned that humanitarian relief into a nation-building effort which turned into a foreign policy disaster with several dozen Americans slaughtered needlessly. And what is really sad, if we look at the situation in Somalia just a few weeks ago, we have had the same conflict and civil war going on, over 50 killed, and a skirmish just recently, and again disorganization and civil war in that area. It may be a lesson we should learn about. They too had atrocities committed on both sides.

The next experience I had in this Congress was with Haiti, and Haiti certainly has to be a glowing example of bad foreign policy. Repeatedly I took to the well of the floor and spoke against the imposition of sanctions against Haiti, which is the poorest country in the Western Hemisphere, and those sanctions in fact destroyed the few jobs, maybe 50,000, 60,000 jobs, many related to United States industry, that actually fed over a million population.

□ 2215

We spent over \$3 billion on that fiasco. We have traded one corrupt government for another. There is complete disorganization in that country. What is absolutely startling is that now that country which we have done so much for is becoming one of the major Caribbean routes for trafficking in illegal narcotics. So a failed policy, an expensive lesson, and now just kicking dirt in our face by being a partner in illegal narcotics trafficking.

Bosnia is another example. I served in this Congress over 3 years ago when our president said we would be there for a matter of months and be out. We are now into 3-plus years. This excursion and incursion has cost us dearly, billions upon billions, probably \$10 billion plus. We still have over 6,000 troops there, 20,000 support troops.

What is absolutely astounding is that now Bosnia has turned into, probably after South America, the second largest conduit and transit source of illegal narcotics coming up through Afghanistan, some through Pakistan, through Turkey, and then through the Balkans in a wide open fashion.

So here we have spent an incredible amount of money going in, after a

quarter of a million people were slaughtered in a civil war, and actually we went in much too late. We kept sides from properly defending themselves. We ended up with a series of graveyards across the Bosnia landscape that should be a reminder to everyone of this administration's failed policies. Not until after those graveyards were planted with the Bosnian souls in Croatia and other areas there did we ever take any action. Now we see, even with the forces that we have there, that the situation relating to illegal narcotics trafficking is disastrous.

Rwanda is another example. Again I took to the floor many times trying to get this administration off center. Almost 1 million human beings were slaughtered in Rwanda. This administration not only had a failed policy, they had a counterproductive policy, a policy that actually, I think, brought on one of the true genocides of our time where almost 1 million people were slaughtered.

This administration blocked in the United Nations a panAfrican, all African force, when we knew there was going to be trouble there. They actually blocked this force from going in and stopping the slaughter in advance of 1 million souls losing their lives most tragically.

Then, of course, we come to Kosovo, the latest in a series of unbelievable missteps in foreign policy. This administration, this Congress, was advised that it was not the time. We were not prepared to go in. The worst time you go into the Balkan regions and into Kosovo would be when we did, when we have overcast February and March skies in that area, and it is clouded in.

When you are doing an air campaign, and a surveillance campaign to make an air campaign successful, we could not have picked a worse time, taking us 4 weeks to get helicopters there, helicopters still not secured, properly trained. They knew we were short, and yet they went in; another disaster.

Tonight, finally, one of the crowning disasters of this administration, I received just a few hours ago a report from my subcommittee staff. I now chair the Subcommittee on Criminal Justice, Drug Policy, and Human Resources of the Committee on Government Reform.

I have been involved, since taking that responsibility in January, in trying to get our drug policy together. More heroin and cocaine is coming from South America than any other source in the world by far, just an incredible amount.

The place that we have had as far as protection and surveillance of those activities has been Howard Air Force base in Panama. We have known since Jimmy Carter's administration that this year we would be forced to give up the canal. What we did not know is what assets we would lose in 1999. This administration has been negotiating the change in United States assets, what assets would go to Panamanians, for over 3 years.

When I took over the subcommittee responsibility in January, we started, of course, examining what would happen in Panama, because all of our international South American, Central American, and Caribbean operations were housed and located and took off from Howard Air Force Base.

So we went down there the first couple of months and examined what was going to happen. We were told by this administration that they were negotiating other locations. They did not believe the negotiations were going to succeed. We got advance warning of that, and we tried to do everything we could to encourage the administration, DOD, Department of State, to move forward or cut a deal.

As it turned out, they failed in their negotiations. They failed in developing a treaty. We were kicked out May 1. We have known for some weeks now that negotiations by this administration did fail.

We were told in hearings that we conducted, not only on our visit but on hearings we conducted, and we conducted a House subcommittee hearing on May 4, that things were in place and in order; that we would move at a cost to the taxpayers of \$73 million, plus another \$45 million that was presented to the committee, to Aruba, Curacao, and to Ecuador.

These were the charts that were presented. The coverage with potential new forward operating locations, one in Ecuador and the other in the Curacao area, this is what we were told would be the coverage. It would give us very good coverage. This was May 4. When they came in, it was supposed to be in place. These were estimates we were given.

These charts are by our SOUTHCAM. They told us that we would have, in the beginning of May 1999 estimate, a 50 percent coverage, and within our agency augments, May 1, 1999, 70 percent coverage May 1. With Curacao, Ecuador, forward operating locations we would go up to 80 percent. Then later on we would go even better if they could get Costa Rica.

Unfortunately, the coverage I have been told as of today is absolutely zero, absolutely zip. Let me read this report very briefly. Mr. Speaker, in closing, let me read what we have learned again this afternoon.

Representatives of SOUTHCAM, our southern command, conceded to me that our worst fears have been realized. After the United States closed down Howard Air Force Base on May 1, since May 1 there have been zero, absolutely zero counterdrug flights out of any one of the other three forward operating locations that were proposed in which the United States was to have memoranda of understanding.

Despite both State Department and DOD indicating in our May 4 hearing that the transition in counterdrug overflights would be smooth and flights would just be modestly scaled back, the specific forward operating location

facts are these: In Ecuador there have been, again, zero since May 1; since we got kicked out of Panama, zero counterdrug flights for the entire month of May, including the day of our hearing, May 4. We asked how many took off that day. They could not answer. I could answer today because we have had our investigators check.

In Aruba, while we have two small custom Citation planes on the ground, I am told this afternoon, as well as one P-3 and one P-3 dome which arrived on May 12, there have been zero counterdrug flights by any of these planes out of Aruba from May 12 through May 17.

In Curacao, while there is one F-17 dedicated to counterdrug flights, there have been zero counterdrug flights out of this location.

In short, poor planning by the Department of State, Defense, and the inability to compensate for the loss of Howard Air Force Base, basically being kicked out of Panama, has already cost us dearly coverage, as follows.

First, we have endangered the intelligence-gathering power of our South American allies in this war, and in particular, we basically are closing down our Peru shutdown policy, because we provide them with information that allows them that strategy and that action.

This administration will bear the blame, since they have shown a 45 percent reduction in coca cultivation over the past 2 years based on intelligence-gathering. In other words, Peru is one of our success stories. Through this information that is shared, a shutdown policy and surveillance, they have eliminated 45 percent of the cocaine production. This program basically is out of order because of our inaction and maladministration.

We have also eliminated intelligence monitoring and detection of drug trafficking flights out of South America since May 1. This is an incredible scandal. This is really one of the worst days and one of the worst missteps of this administration, and probably one of the worst events to ever take place in our effort to put back together the war on drugs that we started in the eighties that was dismantled in 1993 by this administration, by the Democrat House, Senate, and White House, which they did an incredible amount of damage from 1993 to 1995, which we have tried to restore in the last 2 years.

All this action sends a go signal to drug traffickers. Every one of our forward operating locations are down and out. This, again, I believe is an incredible scandal. It is with great regret that I announce this to the House tonight, and to the American people.

What makes this even worse is the information I was provided with, again within the last few hours, that our Southern Command could make no prediction about when these assets will come on line with counterdrug flights in the future.

We have to remember that last year over 15,000 flights took off from Pan-

ama and conducted all of this counter-narcotics activity. There is nothing more cost-effective than stopping drugs at their source, eradicating them at their source, or stopping them and interdicting them as they come from the source. It is much more difficult when they get into our streets, into our communities, and into our schools.

So again, this unfortunately is a disastrous occurrence. I intend to hold the Department of State, the Department of Defense to account. We will conduct hearings and somehow we will restart this effort with the funds that we have restored to put this program back together that have been appropriated. We must have the cooperation of this administration in bringing back these flights and restoring a real war on drugs.

#### COMPETITION

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, today I want to talk about competition. In this Chamber the word "competition" is often used in the context of the phrase "making government run more like a business." Together these two words are used repeatedly and loosely because they sound good. But the fact is that no one who uses these phrases really ever knows what it actually means.

"Competition" and the term "making government work more like a private industry" is not only the mantra for some politicians, it also comes from the mouths of representatives of private industry that usually want something.

□ 2230

For example, earlier this year, the National Commission on the Future of Medicare, on which I sat, failed to recommend a proposal to strengthen the long-term solvency of the Medicare program.

However, some members of the Commission advocated a radical proposal called, quote, premium support, which is really just a euphemism for a voucher program; that is, its proponents say it would bring competition to the Medicare program so that it could run like a business. Many observers from the health care industry agree. They, too, say they want to bring competition to Medicare so that it will run more like a business.

The irony of all this, of course, is that Congress has already passed laws that establish demonstration projects for both traditional Medicare and Medicare plus choice; that is, those plans that have managed care in them that would inject some competition into the Medicare bidding process.

The Health Care Financing Administration, we call it HCFA around here, the agency that runs Medicare dutifully, is attempting to implement