

But there are some good stories.

On Monday, some people were on a boat checking houses; and they heard someone tapping, a noise on a roof of a house. They crawled up on the house because the boat went right up to it. They knocked a hole in the roof of the house, and out crawled 11 people.

As water started to rise and rising so fast, the people in the house went up, and they kept going up, and they finally went up in the attic, and there was nowhere else to go; and they were trapped.

So there are stories of saving lives and heroism from all the groups you could think of from firemen, to rescue squads, to FEMA, to all groups. I will not try to list them this evening, but they deserve a great deal of credit; and as the gentlewoman from North Carolina (Mrs. CLAYTON) said, the people in North Carolina are not unlike the people anywhere in America. They are tough folks. They will bounce back, but they need help.

There is a reason we call them Tar Heels. They stick to it, and they get things done. They are tough people.

But we are going to need this Congress to take action on a disaster bill before we go home. Our farmers will not be able to plant next year if they do not get help. They have lost everything. Many of our business people will not be able to continue and provide jobs, and thousands and thousands of people have lost their home and everything they have.

I call on this Congress to take the action that we would take for anyone else in America. We have responded to world crises, it is now time to respond to those of us in North Carolina.

#### THE HIGH COST OF PRESCRIPTION DRUGS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Mr. Speaker, I want to say, first of all, after listening to my colleagues from North Carolina, that the rest of us in this Chamber feel deeply about the plight of so many people in North Carolina who have suffered greatly through Hurricane Floyd and the resulting floods. No area of the country, Mr. Speaker, has been hit as hard even though people all up and down the East coast have suffered from this tragedy, and I know that I and other colleagues of mine are determined to do what we can to make sure that North Carolinians get the kind of assistance that they need and deserve after this tragedy.

We are here tonight to talk about another situation that calls for action by this Congress, and that has to do with the high cost of prescription drugs for seniors in this country. Thirty-seven percent of our seniors in America have no coverage at all for their prescription

drugs. To be sure, they are on Medicare, which is a Federal health care program; they are all on Medicare. But Medicare does not provide for prescription drug coverage; and so many people are struggling, trying to figure out how to pay the electric bill or the rent or buy food and still take the drugs that their doctors tell them they have to take.

I started hearing about this issue shortly after I was elected to Congress, and whenever I talk to seniors groups I might start out talking about Medicare reform or Social Security reform, but pretty soon we wound up talking about prescription drugs because it was a daily worry for so many people who thought that when they retired they would have enough money to make ends meet. But many of them do not.

I have had people write to me and say that between themselves and their husband they have \$600 a month in prescription drug expenses and they only have \$1300 or \$1350 in a Social Security check. The math does not work; they cannot do it. I have had women write to me and say I do not want my husband to know, but I am not taking my prescription medication because he is sicker than I am, and we cannot both afford to take our medications.

So last year when the Democratic staff on the Committee on Government Reform and Oversight came to me and said we would like to do a study for you of some kind in your district to call attention to a problem or to deal with an issue that you think needs attention, I asked them to do a study on prescription drugs, and the results were astonishing.

What we found is that for the 5 or the 10, makes no difference, for the 5 most commonly prescribed prescription drugs for seniors, seniors, on average, pay twice as much for their medications as the pharmaceutical company's best customers. The best customers are HMOs, hospital chains, and yes, the Federal Government itself.

And let us take a look before turning to some of my colleagues who are here with me tonight, let us just take a look at the chart which shows a comparison between the average retail price that older Americans pay in my First District in Maine compared to the prices that the drug companies charge their most-favored customers. Whether you pick Zocor or Norvasc or Prilosec or Procardia XL or Zoloft, in any event, when you add those up, the average price differential in my district when this was taken last year is over 100 percent. Seniors are paying twice as much for their drugs as the drug company's best customers.

A subsequent study showed that seniors in Maine pay 72 percent more than citizens in Canada for the same drugs, same amount, same quantity, and they pay 102 percent more than Mexicans do for their medications, same drug, same quantity, same quality.

That study has now been replicated in a number of areas around the coun-

try, and with me tonight are the gentleman from Texas (Mr. TURNER) who has done a lot of work on this issue, been a leader on the prescription drug issue, and the gentlewoman from Florida (Mrs. THURMAN) who has had a study done in her district and is working hard to make sure that seniors get the kind of coverage they deserve.

□ 2100

Before turning over to the gentlewoman from Florida (Mrs. THURMAN), I would say as a result of these studies we all worked together and developed legislation called the Prescription Drug Fairness for Seniors Act, H.R. 664, which has 125 cosponsors in the House. This is a bill that creates no new Federal bureaucracy. It involves virtually no expense to the Federal Government, but it puts the Federal Government on the side of seniors on Medicare; in fact, all Medicare beneficiaries.

Basically, the Federal Government would negotiate reduced prices for seniors as a block. The legislation is very simple. It allows pharmacies to buy drugs for Medicare beneficiaries at the best price given to the Federal Government. We think this would probably lead to price reductions for seniors in their prescription medication by up to 40 percent, at virtually no cost to the Federal Government, with no new Federal bureaucracy.

This is a bill that is simple, cost-free, but the opposition is unbelievable. We will get into the opposition and the big money opposition that is trying to stop this legislation.

I would now like to yield to the gentlewoman from Florida (Mrs. THURMAN), who has been working very hard to make sure that her constituents in Florida get the benefit of the kinds of reduced prices for seniors that we know we can achieve.

Mrs. THURMAN. Mr. Speaker, I would like to thank the gentleman from Maine (Mr. ALLEN), first of all, for yielding time but also for his leadership on this piece of legislation. I think many of us would like to kick ourselves because the idea is so easy that we did not think of it before he arrived here. It is so simple in the fact that we do this in other parts of our government already. We do it in the Veterans Administration. They actually go out and use their force of being large buyers for medicine and they are out there and they are actually contracting with the pharmaceutical companies a reduced price for veterans in this country because they have so many people that they can negotiate for; no different than an insurance company does, no different than an HMO does, no different than, quite frankly, in another part of our government that is already doing this in the State of Florida, Medicaid does it. No different.

It is just these are people that are covered by an insurance that the government actually has control over.

So when the gentleman from Maine (Mr. ALLEN) brought up this issue in

Maine, some of us went to the committee and said we would like to look at those same issues within our districts. So we used the same medicines. We talked with chain stores. We talked with our private pharmacists and asked them to give us some ideas of what these costs were. Basically, we had the same kind of results.

Now, something, though, that I think is so important in this issue is these are drugs that are life sustaining. These are not drugs that are something that a person does not have to have. They are not vitamins. They are not these type of things. For many people these are life-sustaining. I mean, we are talking about cholesterol. We are talking high blood pressure. We are talking heart problems. All of these issues become so passionate to these folks, and it is not just about whether they can choose between food or not. These people are also doing some damage to themselves in the fact that they might, in fact, take only a half a pill for the day or they may take their prescription three times a week instead of five times a week. So what we end up doing by not having any kind of coverage at all is we are actually promoting sickness within the most vulnerable part of our population because without them taking this medicine, they become sick; they go into the hospitals, and the next thing we know we have Medicare even picking up a higher cost for these drugs and for these seniors.

So we did the exact same thing. Mine is even different from Maine, which actually astonishes me. The same drug companies, the same folks we are trying to cover, same drugs, same companies, whole thing and we have in some cases as much as a difference for those people who in fact get to be a preferred customer, who are those folks that happen to have insurance, actually end up with ours with Zocor was like \$34.80 for their preferred customer and the average price for the senior that has no coverage is \$103.19. That comes out to 197 percent difference in cost.

If we look at ulcer medicine, \$59.10 for preferred customers compared to \$115.71; high blood pressure, \$59.71 as a preferred customer to \$115.41, 93 percent difference; heart problems, \$68.35, average price for seniors, \$129.45; depression, \$115.70 compared to \$216.44 for the seniors. That is 87 percent. Overall, the price differential becomes 112 percent.

The gentleman from Maine (Mr. ALLEN) referred to an issue dealing with Mexico and Canada, but before I go into that, because those numbers are just as astonishing, I think the gentleman from Texas (Mr. TURNER) has some letters and some things that actually kind of sum up a lot of how these people are feeling, and then once they find out what is happening to them by the drug companies they are saying, wait a minute, why am I not a preferred customer? I am part of the 39 million people who are on Medicare.

My government should use its full faith and credit to give me the same opportunity to have my government negotiate with pharmaceutical companies just like we give the opportunity for everybody else in this country.

This is such a passionate issue.

Mr. ALLEN. It should be a matter of some passionate concern for all of us because our seniors out there are not getting by, a great many of them.

Mr. Speaker, I yield now to the gentleman from Texas (Mr. TURNER), who has been battling away on this issue since the middle of last year and has really done yeoman's work as far as making sure that the people in his district and really around the country understand the effect that these high prices are having on seniors and what we need to do about it.

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

Mr. ALLEN. I yield to the gentleman from Texas.

Mr. TURNER. Mr. Speaker, I really appreciate the leadership that the gentleman from Maine (Mr. ALLEN) and the gentlewoman from Florida (Mrs. THURMAN) have given to this issue. It seems like this is an issue that continues to gain momentum.

I know we have been talking about this issue for well over a year, when we first introduced the legislation in the 105th Congress and then we came back with the gentleman from Arkansas (Mr. BERRY), reintroduced it in the 106th, and it is good to know that we now have over 125 that have joined with us. I have full confidence that that number will continue to grow because this is not an issue that is hard to explain.

The American people and our senior citizens understand full well that the price of prescription drugs are too high.

I brought with me tonight a few letters that I have just received in just the last few weeks, a continuation of mail that all of us get about this subject, particularly from our senior citizens. It is an issue that hits real close to home. In fact, the first time that we introduced this legislation in the 105th Congress I went around to pharmacies all across my district and I went there because pharmacists have understood this problem for years. They have even fought the big drug manufacturers in court, with little success, I might add, trying to end the practice of price discrimination that was exhibited on the charts by my colleagues here tonight.

I met with a lady in Orange, Texas, that I will never forget. She became the subject of a newspaper article in the Houston Chronicle. Her name is Frances Staley, a lovely lady, 84 years old and blind. She came to my little meeting there at the pharmacy because that is where she trades and she heard I was coming to town. She just came by to say how much she appreciated the efforts we were making in the Congress to try to hold down the cost of prescription drugs. She spends most of

her Social Security check every month on her prescription medication. She takes 14 different medicines. She told me that she really hoped that we could pass this bill. It would mean a lot to her.

This bill is not only for Mrs. Staley. It is for people like Joe and Billie O'Leary in Silsbee, who recently wrote me about the fact that they spend more than \$400 a month on prescription medications. It is about folks like Archie and Lena Davidson of Vidor who came up to me in a town meeting that I had just in the month of August. I went around to 70 of my communities and at every stop I talked about this issue. These folks knew I was coming and they brought by a computer printout of their prescription drug bill that they had incurred at their local pharmacy since January. It is just shocking to look at the expenses that they have incurred; \$3,526 for both Mr. and Mrs. Davidson since the first of the year. They said they really hoped that we could pass this bill.

Another couple that wrote me recently, Charles and Louise Ashford, spend \$370 every month for 7 prescription drugs. They wrote a very long letter that really said a whole lot about the importance of this issue to our senior citizens. They wrote, and I want to read a part of their letter, most of the elderly have several ailments that require several prescriptions per month. The best and latest treatments for some ailments and diseases are priced out of the range for many of us on Medicare. Some treatments are available only for those who can afford it. I have found the problem is not that the older people want free medicine. They want medicine priced reasonably so they can afford it. What good is research and finding cures for diseases if a larger part of our population cannot afford the medicine for the cure? I feel our government has failed the elderly and those in bad health in this country for not capping the price of medicine. Some of the most wealthy people in the world are those owning pharmaceutical companies. They are allowed in the U.S.A. to charge whatever for their medicine. That should be medicine that should be available at a reasonable price. We all know that the same medicines are cheaper in Canada and Mexico. Many of our elderly are widows whose husbands worked when wages were much lower than now and do not get much of a retirement check or Social Security. They write, I think some of our legislators have lost touch with reality if they are not aware of the high cost of medicine.

Mrs. O'Leary said in her letter that she and her husband are rather healthy. They do not take heart medicine, stroke medicine, cancer medicine but they still spend close to \$100 every month for her medications and over \$300 a month for her husband's. She wrote, the people who are having to pay the high costs are the ones least able to pay. Let us be fair to all.

Please, she writes, try to cap the prices pharmaceutical companies are allowed to charge. Then we can all afford to pay for our own medicine.

Listen to the closing paragraph, which I think kind of says it all from our senior citizens. She writes, our generation worked hard. We, through our taxes and our efforts, helped pay for schools, public buildings, highways, bridges and helped pave the way for those now young. In the prime of our lives we fought in the wars for this country and to keep our country free. We believe our country is big enough, with all of the resources, to provide reasonable health care and affordable medicine for all.

That is the message that this Congress needs to hear, and I really do think that it is time for more of our colleagues to join with us to address this very, very serious problem.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Florida.

Mrs. THURMAN. I would say to the gentleman from Texas (Mr. TURNER), to go back to the letter, that kind of goes into this segment about what has happened with the U.S. and Canada and Mexico, and I know the gentleman from Maine (Mr. ALLEN) has a scenario that actually happened in his district and then we have, again, the studies that have been done for and showing the differences between Canada, Mexico and our districts, which are, again, I think, pretty profound in the differences. Maybe just a few of them, again, use the same drugs; Canada's price for Zocor was \$46.00. Mexican price was \$67.00, and Florida's price was \$103.00. It goes down the same way all the way through there again. It is the same thing. We are paying more. We actually pay about 81 percent difference in Florida from Canada and about 79 percent difference from Mexico.

□ 2115

So we think that is interesting.

Mr. Speaker, it just seems to me that when we talk about this issue, because we have these border States, and people are very aware of what is going on in other countries and the cost of this medicine, it even makes it more profound, and as the gentleman has seen in his own district what is going on, again, it is just another example of what these folks are feeling.

The second thing that I would point out is that when she talks about the fact that we have enough money to do this, this is exactly what the gentleman from Maine (Mr. ALLEN) said, and what we have talked about in all of our meetings of this, this is budget-neutral. If we just did this, with no cost to the Federal Government, staying within the idea that we are trying to keep our budgets balanced, we are still talking 40 percent that could be reduced for these drugs without any kind of a benefit.

Mr. TURNER. Mr. Speaker, I have always thought that that was one of the best things about this piece of legislation, because it simply asks for fairness in drug pricing. It has no cost to the Federal Government. Ms. O'Leary referred to the fact that she felt we ought to cap drug prices. Well, actually, we do not even cap drug prices in this legislation. We simply say to the big drug manufacturers, it is time to stop the kind of discriminatory pricing practices that we have exhibited through these studies.

I have had many pharmacists tell me that they are really very proud of what we are trying to do because as most of us know, particularly those of us who live in rural areas, independent pharmacists are a dying breed. Many people wonder, why is the drugstore on the corner no longer there. Well, the reason is the subject we are talking about tonight, because the big drug manufacturers have put them in a very difficult financial position by charging the wholesalers they have to buy from higher prices than the big drug manufacturers charge the big HMOs and the big hospital chains; and that price discrimination has worked to the disadvantage of any individual who shops in a local pharmacy in their hometown. Mr. Speaker, 60 percent of all prescription drugs are purchased by senior citizens, so the bottom line is those least able to pay in our society are being asked by the big drug manufacturers to pay the highest prices of anyone.

I had an e-mail from a pharmacist just a few days ago. He said, "Dear Congressman TURNER, I am pleased to see you are making efforts to address the high cost of prescription medications for our senior citizens. Being a registered pharmacist for 20 years, and having parents in the targeted age group, I am very aware of this problem."

So our pharmacists know what has been going on, and our senior citizens are beginning to understand that it is the big drug manufacturers that are causing them to pay much higher prices than they should be paying for prescription drugs.

I yield to the gentleman from Maine (Mr. Allen).

Mr. ALLEN. Mr. Speaker, I appreciate the gentleman's comments, because I think they are completely accurate in terms of how we analyze this particular problem. We have been talking about the problem tonight and what our seniors are going through, and I thought it would be worthwhile to come back to the legislation just for a moment and talk about the prescription Drug Fair necessary for seniors act, H.R. 664.

What we have done here is outlined the principal points of this legislation. It allows pharmacies to buy drugs for Medicare beneficiaries at the best price given to the Federal Government. That may be a price that the Federal Government negotiates through the veterans administration or through Medicaid or some other program.

In other words, what it really does is give seniors the benefit of the same discount received by hospitals, big HMOs, and the Federal Government itself. As we have said, it does not increase Federal spending, it does not establish a new Federal bureaucracy, and it would reduce prescription drug prices for Medicare beneficiaries by as much as 40 percent.

So why is not everyone on this bill? That has to do with the nature of the pharmaceutical industry, with the role of money in politics, and we will get to that. But first, I think we could agree that there is another kind of proposal out there which is also needed, and I know all of us support, and that is a prescription drug benefit under Medicare. A discount is not enough; we need a benefit under Medicare as well, because even with this discount, there will be those who still struggle to pay for their prescription drugs.

What is then interesting about the pharmaceutical industry is it opposes, it opposes the discount approach; it opposes a prescription drug benefit under Medicare unless, they say, unless Medicare is changed dramatically, unless Medicare essentially is turned over to HMOs.

Let us talk for just a moment about this chart.

We have talked about seniors who can barely afford to buy their prescription drugs, some who cannot afford to buy their prescription drugs, some who take one pill out of three or skip whole weeks entirely when they seem to be feeling relatively good. No doctor would recommend that course of treatment.

On the other side of this struggle is the pharmaceutical industry. Now, the interesting thing about the pharmaceutical industry which claims that if this legislation passed they would not be able to do research and development at the same level and seniors would be hurt and new drugs would not be developed, is that when we look at all of the industries in this country, all of them, this is the single most profitable industry in the country.

In this Fortune 500 analysis, the pharmaceutical industry is first in return on revenues, first in return on assets, first in return on equity. In other words, to simplify it, no matter how we calculate profits, this is the most profitable industry in the country, and the problem we are talking about is real simple.

The most profitable industry in the country is charging the highest prices in the world to people who can least afford it. That is why we are here; that is why the system has got to change, and that is why we are doing everything we can to make sure that it does change.

Mr. TURNER. Mr. Speaker, if the gentleman will yield, I just want to follow up on the gentleman's comment about the big drug manufacturers' opposition to having any prescription drug coverage under the Medicare program. I think it is pretty apparent to

those others who have studied this issue a little while why they have such strong opposition. They know that if we ever have a prescription drug coverage under Medicare, the Government is not going to pay those exorbitantly high prices that our senior citizens are having to pay today in their local pharmacies.

So they are afraid of any suggestion that there be any coverage for prescription drugs under Medicare, and the truth of the matter is, the problem that we have addressed in this legislation could be solved by the big drug manufacturers themselves. In fact, we know that most of our senior citizens understand that even the Government gets cheaper prices than they do. The Government is a big purchaser.

We buy prescription drugs for our veterans that are prescribed for them through the Veterans' Administration health care programs, and if we could just get those kind of prices for our senior citizens, we could see prices go down 30 and 40 percent. So the big drug companies know that their pricing practices over the last few years, which have gotten worse and worse and worse in terms of the discriminatory nature of them, has been the cause of the legislation we have brought forward. If they really did what is right, they could solve the problem themselves, because they are the ones that set these discriminatory prices, which has resulted in our seniors paying the highest prices of anyone.

Mr. ALLEN. Mr. Speaker, the gentleman is absolutely right. No one here created this price structure; the industry created this price structure. They have just decided that they are going to get whatever they can out of Canadians and Mexicans and HMOs and hospitals, and then they have decided that they would set prices so that the highest prices in the world are paid by seniors, especially those seniors who do not have any coverage for their prescription drugs, and that is 37 percent of all of the seniors in the country. And there is another 8 percent with really inadequate coverage.

Mrs. THURMAN. If the gentleman would yield, that probably is going down, or that number is going up, because we have now just seen over the past couple of years the draw-out of the Medicare Plus programs, which are the HMO, Medicare programs that, in fact, had some kind of a prescription drug benefit, and many of those are being taken out of a lot of counties these days across this country. So we could potentially see that number go up.

I think we ought to talk about this when we get into this opposition. We now have the facts out; we know that they are first in every possible way we can slice it, and then what happens to us is we get these comments being made to us; well, you know, if you do this, we are going to stop research, and we are going to stop people having a longer life because we won't have the

research out there for this medicine, biotech. All of these folks are giving us these scare tactics. I think if either of the gentlemen can respond to this, or I certainly can, to kind of keep this going in a dialogue here, it is amazing what we found out with what happened in 1984 and what happened again in 1990 when some of these issues were brought up.

I yield to the gentleman from Texas, Mr. TURNER.

Mr. TURNER. Mr. Speaker, our Prescription Drug Task Force that we all serve on, we had a meeting a few months ago where we had a presentation from a gentleman who had done extensive research at a respected university regarding the pricing practices in other countries, and it was interesting to note that we in the United States were the only country in the entire developed world that does not have some restraint on pricing practices of big pharmaceutical companies.

Well, that being the case, I guess it should be no surprise to us that we in the United States are paying the highest prices of anyone in the world for prescription drugs. I think there is going to come a point in time, and I think it is coming sooner than later, that the American people are going to rise up and they are going to say, we are tired of it. We are tired of subsidizing the prescription drug purchases of everybody else in the world, and we want some prescription drug fairness.

So when we are looking at the data that clearly shows us that there is price discrimination worldwide working to our disadvantage and price discrimination within our own country, that is resulting in everyone at the retail pharmacy level paying the highest prices of anyone, I think it is time to wake up and for us to do something about it.

Mr. ALLEN. Mr. Speaker, we probably should talk for a moment about the nature of the opposition and what is happening right now.

Well, several things. People have probably noticed a set of television ads running all across this country featuring Flo. Flo is a bowler, and in these ads, she is urging us all to pay attention to what is going on in the debate on this issue and making it clear, as she said, that "I don't want big Government in my medicine cabinet."

Now, if we want to know who pays for Flo, it is some group called the Citizens for Better Medicare. Well, here is one, here is a full-page ad run in a local paper here in Washington, and Flo is featured in television ads. Citizens For a Better Medicare is delivering a message, and that message is, we want the right kind of Medicare reform, and only the right kind of Medicare reform.

Mrs. THURMAN. Mr. Speaker, if the gentleman will yield, do we know who is paying for these ads?

Mr. ALLEN. We do, Mr. Speaker. Guess who is paying for them? It turns

out it is the pharmaceutical industry. Is that not surprising?

What has happened is the coalition, it is called Citizens for Better Medicare, it includes the National Association of Manufacturers, the United States Chamber of Commerce, the United Seniors Association, and the National Kidney Cancer Association. The executive director of this coalition, until just recently, was working for PRMA, the Pharmaceutical Research and Manufacturers of America. That is the industry association for the pharmaceutical industry.

In this recent story, a person named Martin Corey, who works for AARP, was criticizing these advertisements and I quote what he said in this article in The New York Times.

□ 2130

He said, "This phony coalition, created and financed by the pharmaceutical industry, is what we have come to expect from drug companies over the last decade. Fundamentally, they are in favor of the status quo, which leaves millions of older Americans without drug coverage."

Now, I know that the gentlewoman from Florida (Mrs. THURMAN) has some points to make, but we really need to understand the role of money in politics. What the pharmaceutical industry is doing is taking this, and this is an industry that is near the top in lobbying contributions, it is near the top in campaign contributions, both money to candidates and soft money to the national parties. Now they are running up to a \$30 million national media campaign basically to make sure that no discount approach is enacted and no Medicare prescription drug benefit is enacted by this Congress. This industry wants the status quo, or, alternatively, it wants to turn over Medicare to HMOs.

I say to the gentlewoman from Florida (Mrs. THURMAN), she was just pointing out that as recently as July 1, 340,000 people in Medicare HMO plans were simply dropped by the plans because it was not economically profitable to cover them, just dropped. Millions of other Americans who were in these Medicare managed care plans are having their prescription drug benefits cut arbitrarily because the company is not making enough money, so they cut the prescription drug benefits. That is not a system that works for our seniors, and that is why we need to change it.

Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. I absolutely agree, Mr. Speaker. I do want to go back to this issue, because it kind of goes along with Flo and others out there, other kinds of ads we are hearing about research.

One of the things she mentioned in the very beginning was, I could not walk without pain, but thanks to new medicines, which gives us the connotation that there are not going to be any new medicines out there.

What we have found in some of this research was that in 1984 there was a piece of legislation called the Waxman-Hatch bill that in fact the pharmaceutical companies came in and said, you cannot do this because we are going to increase the availability of generic drugs, and if you do that, we are going to have more competition between brand name drugs, and we are going to have to cut research and development.

In those years, if I remember these correctly, it went from \$4.1 billion to \$4.4 billion in that period of time from 1984 to 1990. Then, in 1990, we did a rebate program. In the rebate program, again the pharmaceutical companies came up and said, oh, no, you cannot do that, cannot do that. We are not going to be able to have research and development.

Since 1990, we now went from \$8.4 billion to \$18.9 billion. But there is some more interesting information that has to go with that, and this cannot be overlooked. First of all, in the last four appropriations in the Congress for NIH, the funding in NIH has gone up more than any other budget in this country, by 5, 6, 7 percent, because we understand and believe there needs to be an investment in research. We understand that. We are not closing our eyes to the fact that we want good research in this country.

Now, who is the recipient of this research? Who is the one who gets the contract after we give NIH the money to do the research? Pharmaceutical companies, can Members imagine? So they are actually taking some of the government money we are giving them for research and using it.

The problem is, we never get any of that money back. No, they get a patent, and in that patent we extended it for 20 years, so we cannot even have any competition for these folks. So we have a pharmaceutical company that gets part of their funding from NIH.

I happen to have a huge university in my district, the University of Florida, a teaching hospital. They are wonderful. They do great research. They have had on-the-cusp engineering research kinds of things they have done in medicine. They, too, then are helpful to the pharmaceutical companies.

So it is not like they are having to come up with this research money on their own, they are actually getting help from their government, they are getting help from their university systems, both public and private, and they reap all of the benefit, and, according to the gentleman's chart over there, all of the profits.

Then they come to us and say, oh, you cannot do any of this. We are going to keep gouging the most vulnerable people. I do not get it. I do not know why our colleagues are not on this piece of legislation, because this is just perfect kinds of stuff that prove that over and over again it becomes a spin game and who is going to win.

I do not have \$30 million to do an advertising campaign. The only voice

that I have is the voice that was given to me as an elected official, and that is to bring this to the floor of the House to raise the consciousness level of this country and have them understand why this issue is so important, and the unfairness of what is going on in these price activities today.

Mr. TURNER. Mr. Speaker, if the gentleman will continue to yield, I thought the gentlewoman brought up a very important point when the gentlewoman mentioned the patent law.

I find it amusing to watch these ads featuring Flo that are paid for by the big pharmaceutical manufacturers, and Flo raises her finger and she says, I do not want government in my medicine chest. Well, the truth is, as the gentlewoman pointed out, government is in her medicine chest, because the laws of the United States protect those drug companies from competition because we, under law, grant them a 17-year-patent on their medicines that they are always up here fighting to get extended. That law guarantees them a monopoly over the drug that they have done the research to create and bring to the market.

Frankly, I think that is a good law, because the purpose of the patent law is to encourage the development of new drugs, new cures, and we have seen many of them in recent years. In fact, back when the Medicare program was first put in place in the mid sixties, nobody thought about covering prescription drugs because it was a very small part of our total health care costs. But today prescription drugs are a major part of all of our health care costs, and that is why the problem we are talking about tonight is such a serious one for senior citizens, particularly those who are on fixed incomes.

I think what I would like to do, if we had the millions of dollars that the big drug manufacturers have, I would like to put my constituent that I talked about earlier, Ms. Daley from Orange, Texas, on TV. She would tell a different story than Flo. Or the lady that I read the letter from just a few minutes ago, Ms. O'Leary, I believe she could handle herself in debating Flo.

She is the one that said in her letter, "What good is research and finding cures for diseases if a large part of our population cannot afford the medicine for the cure?" I think the senior citizens of the country get it. I really never have paid a whole lot of attention to those expensive ads that featured Flo, because I think the people out there watching those ads are smarter than that.

Mrs. THURMAN. If the gentleman will continue to yield, it is not just about seniors, Mr. Speaker. When we listen to the families of the seniors that are trying to put their kids through college or trying just to make a mortgage payment or have a car, who are having to help out, they do not want their parents sick. They do not want them to go without the medicine that is needed to keep their life sus-

tained. They want their parents to be able to enjoy their grandchildren. They want them there. It is an important part of our whole family fabric in this country.

But we are denying everybody a chance, then, through the family structure to enjoy their parents' last time in their senior years. So it goes way beyond just the seniors.

I went to an editorial board meeting, just about this. It was very interesting, because the woman I talked to said to me, she said, I had this friend. She did not take her blood pressure medicine, and I asked her why. She said, my cat had to go to the veterinarian. As we got through the end of it, I found out it was her mother. She said, why didn't you call me? I would have gotten your medicine for you? But the mother was proud, did not want to take money. She was worried about her cat, so that was the decision she made. I know that may not be the choice that everybody would make, but certainly it was for her.

So here is a daughter who is now having to help out or wants to help out, it is not even a matter of having to, and not because of those reasons, necessarily, but they all go through something like this.

Mr. ALLEN. The people that we have been talking about tonight, our constituents, are real people. Flo is a fake. Flo is a TV ad. Flo is someone, a creation of the pharmaceutical industry. Flo means big bucks, and what Flo is trying to do is persuade people in this country that they do not want any government involvement in Medicare, which is a Federal health care program, if it is going to provide either a prescription drug benefit or a discount for seniors.

The gentleman from Texas (Mr. TURNER), was saying that, after all, the government is involved in her medicine cabinet. The gentleman mentioned one way, but there are some other ways. The Food and Drug Administration in this country is there to make sure that the drugs that are sold by the pharmaceutical industry are, number one, safe, and number two, effective; that is, they work. That is what the purpose of the Food and Drug Administration is.

We all want to make sure that continues, because if this industry were simply allowed to sell any drug, regardless of whether it had been tested and was assured to be safe or whether it was going to actually work, we would all be worse off.

If Flo were a real person, she is one of a minority. She is one of the 28 percent of the people in this country who have prescription drug coverage through a retirement plan, but the rest of the population does not. Thirty-seven percent have no coverage at all. 8 percent have some coverage under a MediGap policy, but those are really pretty ineffective and not very cost-effective. Then there is 17 percent who have some sort of coverage, or used to, under Medicare managed care, but as

we have seen, managed care companies that serve Medicare beneficiaries are cutting back on the benefits, they are dropping the limits, increasing the copay, or they are just dropping people altogether.

The bottom line, this is about money. The industry is charging the highest prices in the world to people who can least afford it. This is an industry which made \$26 billion last year, \$26 billion. Now they are spending millions of dollars of that money to try to persuade people in this country that we should not have a discount on prescription drugs and that we should not have a benefit under Medicare. It is an outrage.

This system has to change. It is not sustainable. What our seniors are spending on prescription drugs is going up 15 percent a year. That is one reason the industry is so profitable. Yet, the industry is simply saying no to the kinds of changes that would make sure that people get the drugs, get the prescription drugs that their doctors tell them they have to take.

Mr. TURNER. If the gentleman will yield, Mr. Speaker, the point the gentleman makes about the big drug manufacturers and the involvement they already have with government is an important one, because we are all very proud of the fact that the FDA, the Food and Drug Administration, protects the prescription drugs that we purchase every day.

I think most of us in the last analysis would support the policy of granting a patent to our big drug manufacturers to encourage them to make the necessary financial investment to come up with new drugs and cure serious diseases.

But it just seems to me that in exchange for that protection under the patent law, that the big drug manufacturers owe us at least one thing back. That is, fairness in drug pricing. I am a firm believer in the free enterprise system. I believe that government ought to stay out of the business world as much as possible, because I believe in innovation and entrepreneurship.

But the truth is the free market system that we all believe in is not working in the drug industry. The reason it is not working is apparent to anyone who looks even glancingly at the problem, because it is our patent law that the people of the United States have put on the books to encourage the drug companies to develop new, innovative drugs that gives them a monopoly.

We all understand that the free market never works when there is a monopoly. So if we are going to protect the big drug companies and allow them to make the necessary investments to come up with new cures, what they owe us back is fairness in drug pricing.

I want to make it very clear, and oftentimes our bill, people who look at it in the big drug industry, they say, oh, you are fixing prices. You are trying to control prices. There is nothing in this legislation that controls prices. It sim-

ply requires fairness in pricing. We simply say that senior citizens ought to be getting as good a deal as the best customers of the big drug companies. That is what we mean by fairness. We want an end to the discriminatory pricing practices of the big drug companies.

So I do not know how long the big drug companies want to spend millions of dollars perpetuating a discriminatory pricing scheme that is working to the disadvantage of the most vulnerable segment of our population.

But I will tell the Members this, if they persist, if they persist, there is going to be some people in this Congress who are going to look real hard at the patent protections that they are given under current laws.

□ 2145

There are people who are going to start asking some serious questions about the big multimillion dollar expenditures of the big drug companies on lobbying this Congress. There are some people who are going to start asking some questions about the substantial political contributions that those pharmaceutical companies are making.

I say that the best advice that I think we can give the big drug companies tonight is to listen to the senior citizens of this country. They are tired of being taken for a ride. They want fairness in drug pricing.

The drug manufacturers themselves have it within their power, without any legislation, to correct the problem, and I hope they will start down that road. Because if they do not get there, this Congress is going to help them get there.

Mr. ALLEN. Mr. Speaker, the gentleman from Texas (Mr. TURNER) says it well, and I want to thank him for his participation tonight and for his leadership on this issue along with the gentlewoman from Florida (Mrs. THURMAN) and so many others in this Congress who are working hard on this issue.

What is striking about where we are, to me, about this legislation is that a bill that creates no Federal bureaucracy and involves no significant Federal expense and would reduce prices for prescription drugs for seniors by as much as 40 percent has not one Republican cosponsor, not one.

Now, when we try to explain that, I drafted this legislation so that it would appeal to Members on the other side of the aisle, but not one has come over to support this legislation. When my colleagues ask why, they have to look at political contributions to the parties and candidates.

The pharmaceutical industry gives overwhelmingly to Republicans rather than Democrats. It gives to Democrats as well. My colleagues have to ask themselves whether or not it is the role of big money and politics that is shaping this debate.

I believe that we cannot leave this Congress without doing something

about the high cost of prescription drugs. We need to do at least two things. One is to pass H.R. 664, the Prescription Drug Fairness For Seniors Act, and one is to get a benefit, coverage for prescription drugs under Medicare.

This country is big enough and strong enough and wealthy enough to take care of those seniors particularly who are having a very difficult time affording the drugs that their doctors tell them they have to take.

We can do better as a country. We can do much better. But to do better means that we cannot let the pharmaceutical industry dictate the results. We are not going to allow Medicare to be taken over by HMOs, and we are not going to allow the pricing of prescription drugs to continue solely at the determination of the pharmaceutical industry. There needs to be some countervailing market power.

All we are saying is that, just as the Federal Government buys toilet paper and automobiles and desks and lamps and tries to get the best deal for the taxpayer, it should try to negotiate a discount for those seniors who are already on a Federal health care plan called Medicare.

If we do that, if we do that, many more seniors all across this country will be able to sleep at night knowing that they can afford both their meals and their prescription drugs and their rent, and they may just, maybe, have a chance to live out their lives the way they thought they could, the way they thought they could when they figured out how much they would have for retirement, instead of living in a world where every trip to a doctor may mean another \$100 a month in a prescription drug cost that they simply cannot handle.

This system does not work. It needs to change. I believe, in this Congress, it will be changed.

Mr. Speaker, I rise today in strong support for implementing legislation to substantially reduce the exorbitant prices of prescription drugs for Medicare beneficiaries. Our current Medicare program drastically fails to offer protection against the costs of most outpatient prescription drugs. H.R. 664, the Prescription Drug Fairness for Seniors Act of 1999 aims to create an affordable prescription drug benefit program what will expand the accessibility and autonomy of all Medicare patients. This bill will protect Medicare beneficiaries from discriminatory pricing by drug manufacturers and make prescription drugs available to Medicare beneficiaries at substantially reduced prices.

Currently, Medicare offers a very limited prescription drug benefit plan for the 39 million aged and disabled persons obtaining its services. Many of these beneficiaries have to supplement their Medicare health insurance program with private or public health insurance in order to cover the astronomical costs not met by Medicare. Unfortunately, most of these plans offer very little drug cost coverage, if any at all. Therefore, Medicare patients across the U.S. are forced to pay over half of their total drug expenses out-of-pocket as compared to 34 percent paid by the population as

a whole. Due to these burdensome circumstances, patients are forced to spend more of their limited resources on drugs which hampers access to adequate medication needed to successfully treat conditions for many of these individuals.

In 1995, we found that persons with supplementary prescription drug coverage used 20.3 prescriptions per year compared to 15.3 for those individuals lacking supplementary coverage. The patients without supplementary coverage were forced to compromise their health because they could not afford to pay for the additional drugs that they needed. The quality and life of these individuals continues to deteriorate while we continued to limit their access to basic health necessities. H.R. 664 will tackle this problem by allowing our patients to purchase prescription drugs at a lower price.

Why should senior citizens have to continually compromise their health by being forced to decide which prescription drugs to buy and which drugs not to take, simply because of budgetary caps that limit their access to treat the health problems they struggle with? These patients cannot afford to pay these burdensome costs. We must work together to expand Medicare by making it more competitive, efficient, and accessible to the demanding needs of patients. By investing directly in Medicare, we choose to invest in the lives, health, and future of our patients. By denying them access to affordable prescription drugs, we deny these individuals the right to a healthy life which continues to deteriorate their well-being and quality of life.

The House Committee on Government Reform conducted several studies identifying the price differential for commonly used drugs by senior citizens on Medicare and those with insurance plans. These surveys found that drug manufacturers engaged in widespread price discrimination, forcing senior citizens and other individual purchasers to pay substantially more for prescription drugs than favored customers, such as large HMOs, insurance companies, and the federal government.

According to these reports, older Americans pay exorbitant prices for commonly used drugs for high blood pressure, ulcers, heart problems, and other serious conditions. The report reveals that the price differential between favored customers and senior citizens for the cholesterol drug Zocor (Zo-Kor) is 213%; while favored customers—corporate, governmental, and institutional customers—pay \$34.80 for the drug, senior citizens in my Congressional District may pay an average of \$109.00 for the same medication. The study reports similar findings for four other drugs investigated in the study: Norvase (Nor-Vask) (high blood pressure): \$59.71 for favored customers and \$129.19 for seniors; Prilosec (Pry-low-Sec) (ulcers): \$59.10 for favored customers and \$127.30 for seniors; Procardia (Pro-car-dia) XL (heart problems): \$68.35 for favored customers and \$142.21 for seniors; and Zoloft (Zo-loft) (depression): \$115.70 for favored customers and \$235.09 for seniors.

If Medicare is not paying for these drugs, then the patient is left to pay out-of-pocket. Numerous patients are forced to gamble with their health when they cannot afford to pay for the drugs needed to treat their conditions. Every day, these patients have to live with the fear of having to encounter major medical problems because they were denied access to

prescription drugs they could not afford to pay out of their pocket. Often times, senior citizens must choose between buying food or medicine. This is wrong.

Reports studying comparisons in prescription drug prices in the United States, Canada, and Mexico reveal that Americans pay much more for prescription drugs than our neighboring countries. In 1991, the General Accounting Office (GAO) revealed that prescription drugs in the U.S. were priced at 34 percent higher than the same pharmaceutical drugs in Canada. Studies administered on comparisons between the U.S. and Mexico also reveal that drug prices in Mexico are considerably lower than in the United States. In both Canada and Mexico, the government is one of the largest payers for prescription drugs which gives them significant power to establish prices as well as influence what drugs they will pay for.

Many Medicare patients have significant health care needs. They are forced to survive on very limited resources. They are entitled to medical treatments at affordable prices. H.R. 664 will benefit millions of patients each year. This bill will address many of the problems relating to prescription drugs and will ensure that patients have adequate access to their basic health needs. Let's stop gambling with the lives of Medicare patients and support this plan to strengthen and modernize Medicare by finally making prescription drugs available to Medicare beneficiaries at substantially reduced prices. It is a matter of life or death.

#### SOLVING PRESCRIPTION DRUG PROBLEM IS NO ROSE GARDEN

The SPEAKER pro tempore (Mr. KINGSTON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, I have been sitting here for the last hour listening to the previous speakers and their comments about prescription drugs. I need to tell my colleagues, they brought up some very valid points.

I think that the prescription drugs in this country are priced too high, and I think there are a lot of families in this country who suffer because they cannot afford those prescription drugs. But let me say to all of my colleagues who have also joined the previous speakers and listening to them in the last hour, do not let people promise you a rose garden.

How can one possibly get the Federal Government involved in anything and then honestly look at the American people and say it is not going to have any cost. There is a tremendous cost every time the government gets involved.

Now, what happens back here in Washington, D.C., as many of my colleagues know, programs often start on the promise that the cost will be a low cost. Take a look at almost any program my colleagues want to. The space program, it is a great program, but look at how the costs have just ballooned out of sight. Look at all the

different social programs, the welfare programs.

Look at Social Security. Social Security started out with good intent. It was going to cost this much, and pretty soon it was this much, and pretty soon this much, and pretty soon this much.

So the only thing that I would add to the previous speakers' conversations is, let us look at the economics. We all agree there is a prescription problem out there. In fact, I would take issue with the one gentlemen I believe from Texas who made points that perhaps it was partisan warfare on this. I do not think so. I think, on both sides of the aisle, Members recognize there is a problem out there with the cost of affording prescription drugs. But I think on the Republican side of the aisle, there is a realization that somebody has got to pay for it.

Nothing is free. We have heard that saying since we were little, tiny kids. One does not get something for nothing. That is what my mom always used to tell me. I always used to say, "Mom, here is a great bargain; or, daddy, I can get this for free." My dad and mom would always say to me, "You do not get something for nothing. Somewhere somebody has got to pay."

It is just like our social programs. Every time one gives a dollar to somebody who is not working one has got to take that dollar from somebody who is working. So as we go together as a team to take a look at what we can do for the people of this country in lowering those prescription costs, getting the FDA to approve these drugs instead of sitting on a bureaucracy, almost a bureaucratic strike before they approve these drugs, as we begin to approach these challenges, let us not forget what the consequential costs will be to the future. Are we creating a new Federal program that will very soon balloon out of sight?

We have a history. The United States Congress has a long history of starting out program after program after program with good intent after good intent after good intent, and they never, ever, ever come anywhere close in their estimations of cost at the beginning of the program versus what the actual costs are once the program gets on its feet. Never anywhere close. I mean, it is just not close.

So, again, this is not the intent of my speech tonight, but I want to say, because I thought their comments were well made, and I think some of the problems my colleagues spoke about in the last hour, they hit the nail right on the head; but let us not promise the American people a rose garden. Let us be realistic about this. Let us talk about the economics of it. Let us talk about who is going to pay the bill. We need to consider that.

#### CLEMENCY FOR FALN

Mr. MCINNIS. Mr. Speaker, I want to visit with my colleagues this evening about a couple of things. Many of the people in my district already know that I used to be a police officer. But