

The governor has said let us take \$1 trillion of this and start those private accounts. They cannot be used for anything except retirement. They are going to be limited to safe investments, and so in fact there are some insurance companies now that will guarantee a return, a positive return on those investments.

Just covering a couple of the personal retirement accounts that would offer more retirement security than Social Security. If John Doe makes an average of \$36,000 a year, he can expect monthly payments of \$1,280 from Social Security. If he were investing 6 percent of that earnings, he would get \$6,514 from his personal retirement account.

Galveston County, Texas. When we started Social Security in 1935, it was the option of State and counties whether or not they wanted to opt out of the Social Security system and have their own pension retirement programs. Galveston County, Texas, was one of those counties that exercised that option. The death benefits in Galveston County are now \$75,000. If one dies as a worker in Social Security, it would be a death burial benefit of \$253. On disability benefits under Social Security, \$1,280 a month. The Galveston plan for disability benefits, \$2,749 a month. Social Security benefits after retirement, same as disability, on Social Security, \$1,280. The monthly payment from the Galveston plan is \$4,790 a month.

This is another representation of San Diego that also wanted to have their own plan. A 30-year-old employee earns a salary of \$30,000 for 35 years and contributing 6 percent to his PRA, personal retirement account, would receive \$3,000 a month in retirement. Under the current system, he would contribute twice as much but receive only \$1,077 under Social Security. So under the current Social Security system, he would contribute twice as much but receive almost two-thirds less.

The U.S. trails other countries. I represented the United States at an international conference in London a few years ago and I was amazed how much other countries are moving into getting real returns on those investments. In the 18 years since Chile offered the PRAs, 95 percent of the Chilean workers have created accounts. Their average rate of return has been 11.3 percent a year. Australia, Britain and Switzerland offer workers PRAs.

In Britain, here is a socialist country that is much further ahead than we are. Two out of three British workers enrolled in the second tier Social Security system choose to enroll in PRAs. British workers have enjoyed a 10 percent return on their pension investments over the past few years. The pool of personal retirement accounts in Britain now exceeds nearly \$1.4 trillion, larger than their entire economy and larger than the private pensions of all other European countries.

Based on a family income of \$58,475, that is a figure that came out nice for

the length of this bar chart, if we are to invest either 2 percent of our payroll or 6 percent or 10 percent for 20 years, we would get \$55,000, \$165,000 or \$274,000 back after 20 years. After 30 years, if we were to invest 10 percent, which would leave the disability part in effect, then it goes up to \$800,000. And if we were to go the full height and invest 10 percent over 40 years, then we would have at the end of 40 years, because of the magic of compound interest that our money grows every year and the interest on that extra money that is compounding all the time, would amount to \$1,389,000. At 10 percent interest, of course, that would be \$138,000 a year. At 5 percent interest, half of that, it would be \$70,000 a year.

So the question is with the fluctuation in the stock markets, is that a risk? Considering the fluctuations, what if somebody were forced to invest last year or the first of this year and take out money now? For short-term investments, there are ups and downs. For long-term investments, there has never been an average downer as low as the 1.9 percent that Social Security pays.

This represents the last hundred years, and so this is a real rate of return over and above inflation on stocks from 1901 to 1999. And we see they get as high as about 12 percent, averaging 12 percent, and as low as about 3.6 percent. But the average is 6.7 percent.

So, the key to this kind of investment is leaving that investment in for longer periods of time. I think the key in my bill I gave the option of index stock, index bonds, index global funds. These figures represent an index. But as we see, nothing is low as the 1.9 percent return that is now accommodated by Social Security.

I think my time is coming to a close, but I wanted to briefly go over the provisions of my Social Security bill. We have no tax increases, no transition costs. It balances the Social Security system for 75 years, as scored by the Social Security Administration. Newly hired State and local government employees would join, but it allows the private investment account withdrawals at age 60. What I do, instead of any kind of increase in retirement age, I build in an incentive. So if workers are 65 years old and eligible for retirement and decide to put it off, for every year they put it off, they would get an 8 percent increase in their benefits. That is actuarially sound.

So if we keep working and keep paying in our Social Security tax, the benefits for every year we put off retirement, and we are living longer, healthier lives, we would get an 8 percent increase in those benefits. So it is our decision with an incentive of whether to have our retirement age increased, and being able for some people to retire even earlier when it is actuarially sound.

Retirement age is automatically indexed to life expectancy. It increases retirement age 2 additional years. That

is simply complying with current law. In 1983, they said the retirement age to get maximum benefits between 2002 and 2017, over that time period, would gradually increase from 65 to 67. So that is in current law. That is a law that they passed back in 1983.

Benefit changes. The private investment accounts using the trust fund surpluses, it gradually reduces the increase in benefits for high income retirees. Couples receive a minimum of 133 percent of the higher of each of the couple's benefits. Right now, it is 100 percent. It allows additional voluntary PRAs. And for anybody that would like to look at the Social Security background charts or the legislation I have introduced, go to one of the search engines and type in "NICK SMITH" and "Social Security." But officially it is www.house.gov/nicksmith/welcome.html.

Mr. Speaker, I thank you for this time. I give the challenge to my colleagues to move ahead on Social Security. And most of all I give the challenge to Mr. GORE and Mr. Bush to make the effort and take whatever action is necessary to get a bipartisan agreement in this House and in the Senate to move ahead to make sure that we save Social Security and that we do it without increasing taxes and that we do it without reducing benefits for current or near-term retirees.

HEALTH CARE: THE UNFINISHED AGENDA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Mr. Speaker, this evening I would like to take to the well again and talk about health care issues, because I do believe that when we talk about health care issues, that this is really the unfinished agenda that this Republican Congress has not addressed.

Of course, there is still time. We are still here. We are here over the weekend, are probably going to be here a good part of next week. There was an effort yesterday when the tax bill was brought up by the Republican leadership, to suggest that somehow some of the health care issues were being addressed in some minor way.

Mr. Speaker, what I wanted to begin tonight was talk about how that bill really does not accomplish anything significant to help the average American with the health care problems that they face and with the hospitals and the nursing homes and the home health agencies that are trying to provide quality health care.

Then after that, I would like to get into the three major issues that most of my constituents and most Americans talk to Members of Congress about, and that is trying to reform HMOs, trying to provide a prescription

drug benefit for seniors, and trying to deal with the 42 million Americans who now have no health insurance.

Let me start with this tax bill that was voted on and that the Republican leadership brought up, because they suggested, I think inaccurately, that what they were trying to accomplish was to deal with some of the problems that occurred with the Balanced Budget Act which was passed a few years ago which cut back significantly on the money that was going to hospitals, to home health care agencies, to nursing homes, and to HMOs, and that the reimbursement rate from the Federal Government, from Medicare, Medicaid, and some of the other Federal programs that provide funding to these facilities or to these programs that provide health care services, needed to be readdressed. That there was too little of a reimbursement rate under Medicare and Medicaid and that more money needed to go back to these programs or facilities if they were going to provide a quality health care.

The problem, though, was that in making these adjustments in this tax bill, the Republican leadership essentially gave most of the money to HMOs in a fashion that I find totally objectionable, because the HMOs were not only getting huge amounts of money back from the Federal Government, but were really not caused to do anything for the average American in order to receive those funds.

I said today in a press conference that we had outside on the lawn of the Capitol with some of my Democratic colleagues that the reason this was happening, the reason why the tax bill was so favorable to the HMOs, is because basically the Republican leadership has bought into the HMOs and the special interests that are associated with the HMOs and supports them because of the special interest funding that is made available.

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What we see the HMOs doing is that the HMOs are leading the battle against the Medicare prescription drug benefit and leading the battle against HMO reform.

The Democrats and some Republicans have tried to pass a bill called the Patients' Bill of Rights. We know it as the Norwood-Dingell bill. It is bipartisan, but it is opposed by the Republican leadership. The Norwood-Dingell bill would make significant reforms to address the abuses of the HMOs. But the HMOs are fighting that tooth and nail as well as the prescription drug benefit.

So I think that basically what happened here is the Republican leadership sides with the HMOs because they are basically against the Medicare prescription drug benefit and against the Patients' Bill of Rights.

We also see that the HMOs are spending a lot of money funding negative ads against those individuals, Democrats and against some Republicans who sup-

port the Patients' Bill of Rights, who support HMO reform, who support having a prescription drug benefit under Medicare. So this is the sort of unholy alliance here that manifested itself yesterday with this tax bill to give more money back to the HMOs.

Now, let me talk a little bit about this bill because I just want to show how unfair it was and how little it would accomplish in terms of addressing the health care needs that Americans face today.

First of all, and just to give my colleagues some figures about the amount of money that was going to the HMOs, the Republican plan, this tax bill, increases payments to Medicare HMOs by over \$10 billion over 5 years and over \$30 billion over 10 years, despite the fact that only 16 percent of Medicare beneficiaries are enrolled in HMOs right now.

We know that what the HMOs have been doing is they have been dropping senior citizens left and right. As of July 1, I think there are over 700,000 seniors across the country that have been dropped by HMOs to provide their Medicare benefits over the last few years. So a lot of these HMOs got into the Medicare program, and then they dropped the seniors.

Yet, over one-third of the allocation in this tax bill, over one-third of the allocation for health care, that goes back to health care providers, goes to HMOs. Only 16 percent of Medicare beneficiaries are enrolled in HMOs. My colleagues get some idea there of the inequity here.

Now, in addition to that, we know that a lot of these HMOs have dropped out of Medicare, so one might say to oneself, well, if they are making an argument they need more money to stay in Medicare, then why, when we give them this windfall, these billions of dollars, this 30 percent of this overall budget, then why do we not require that they come back into Medicare and provide certain benefits?

Well, that makes sense. But that is not what the Republican leadership did. There was no guarantee that these HMO plans will not drop out of communities or Medicare altogether when it is no longer in their interest to remain, as many of them have. There is no guarantee that they will put new money towards maintaining benefits rather than shoring up their bottom line.

So we could have said, okay, we will give HMOs all this money in the tax bill, but they have to sign a contract saying they are going to stay in Medicare for 2 years or 3 years or even 1 year.

We could have said, okay, we will give them this money, but they have to make sure that they provide at least a level of benefits and prescription drugs for these 16 percent of seniors that are on Medicare that they are providing now.

But we do not have that in the bill, nothing like that. Just give them the

money, and that is fine. They can continue to drop out of the program if they want to. It is blatantly unfair. It is just basically pandering to special interests.

Now, let me go beyond that to the next issue. Why is it that so much of this money is going to HMOs again when so few seniors are in HMOs that are in Medicare? We know that we have greater needs in a lot of other areas.

The hospitals do not get that much. Hospitals, many have closed. I had one in my district in South Amboy that closed within the last year or so. Nursing homes. Many nursing homes are bankrupt. I visited with some. I went to a nursing home last week, one of the residents, and talked to some of the residents. I found out from the operators that there are, I do not know what the percentage is, but a significant percentage of the nursing homes in the State of New Jersey are now bankrupt, and some of them are closing. Home health care agencies, very little money under this tax bill. These are the providers.

Remember, the HMO is an insurance company. They are getting this money now from this windfall from this Republican tax bill, and they are going to go out and they are going to pay the hospitals or they are going to pay the nursing homes or they are going to pay the providers of health care services. They are not providing the services.

But, yet, we shortchange the providers. We do not give the money to the hospitals, some of which are closing. We do not give the money to the nursing homes, some of which are closing. We do not give the money to the home health care providers who are directly providing services.

It makes no sense. It makes no sense at all unless one looks at it from the point of view that the HMOs are special interests that are doing the Republican leadership a favor and that are railing against HMO reform and a Medicare prescription drug benefit.

Now, let me go to the last thing, then I am going to get off the issue of this tax bill, but I do think it is important; and that is that the Republican leadership said, well, one of the things we are going to do in this tax bill is we are going to try to address the problems of the uninsured by giving what we call an above-line deduction for health insurance, a tax deduction.

Okay. Well, we know that there are 42 million or so Americans now that do not have health insurance. Now, these are working people because, if one is really poor and one is not working, one is eligible for Medicaid, and the Federal Government pays for one's health insurance.

But if one is in a low-income bracket but one is working, or even middle-income bracket, it depends, and one is working, a lot of times one's employer will not provide one with health insurance because maybe it is costing him too much, or whatever the reason, and one has to go and try to buy one's

health insurance on the private market, or maybe the employer has some kind of a plan, but it is very expensive. Whatever the reasons, these 42 million people are pretty much working people that do not have health insurance on the job or cannot afford to buy it in the private market.

So what the Democrats have been saying, what Vice President GORE and President Clinton have been saying, let us gradually try to address some of the groups that make up this uninsured. We know the largest group is the children. We know the second largest group is near elderly people, between 55 and 65, that are not eligible for Medicare yet. These are some of the groups.

What the Democrats have been doing, and we actually did get the support of the Republicans eventually, we had to drag them along on this, but we eventually did get the support of the Republicans to pass a kids health initiative a couple years ago that gradually has been getting to the point where we think about half of the children that are uninsured will have some sort of insurance with money paid for by the Federal Government.

Well, what Vice President GORE has been saying is that he wants to increase the income eligibility so that, right now, if one is, say, 200 percent of poverty and one is eligible for this kids care program, we will raise it to 250 percent of poverty or 300 percent of poverty and try to get more of these lower middle class people who are working and their kids into this CHIP or kids care program.

Well, we found, of course, that the Republican leadership does not want to do that. That would have been the logical thing to do in this tax bill would be to expand eligibility for the kid care program.

Or another thing that we could have done, and this is another thing that Vice President GORE has proposed and the Democrats here in the House, is to enroll the parents of those kids in the health insurance program, because we know that those parents, if they cannot get health insurance for the kids other than through the Federal Government, they are not able to get it for themselves.

In this tax bill, we could have put a provision there for the near elderly. What the Democrats have been saying is they would like to see the people between 55 and 65 be able to buy into Medicare. At their own expense, they would buy into Medicare.

But, no, the Republican leadership does not want to do any of those things. This is what they said. They said, we are going to give you an above-line tax deduction.

I am not going to get into all the details of that, but basically that has two problems. First of all, very few of the people who are now without health insurance, who are sort of lower middle class category, very few of them will be able to take advantage of this deduction and go out and buy health insur-

ance, first of all, because most of them do not have incomes where that deduction is significant enough to be able to use it to buy a health insurance policy which in the private market may be \$3,000 to \$4,000 a year.

Secondly, what we find with this above-line deduction is that it creates a disincentive for employers to provide health insurance. As a consequence, a lot more employers may decide not to provide health insurance and, instead, actually increase the ranks of the uninsured.

The only people that really are able to take advantage of this are people that already have health insurance that are making a decent income and can take advantage of the deduction.

But if one is trying to increase the number of insured people and take the uninsured off the rolls, this accomplishes virtually nothing. It just helps people who are in a higher income bracket and who already have health insurance.

Again, it sounds so critical. The Republican leadership brought up this bill yesterday, or the day before when they brought it out here; and they said, we are going to try to do all these things. We want to address some of the health care concerns of the American public with this bill.

But whether it is the question of the uninsured, it is ineffective. Whether it is the question of addressing the prescription drug prices, it is ineffective, because it does not provide any guarantees one is going to get prescription drugs under any kind of HMO plan. Certainly it does not even address the effort to reform the HMOs with the Patients' Bill of Rights that the Democrats have been talking about.

So I just want to say, once again, we see the Republican leadership aligned with the special interests, the drug companies, the HMOs, the health insurance companies, not doing anything that is going to help the average American.

Now, I wanted to talk a little bit, because I think it is important, I mentioned before earlier that there are three major health care issues that are not being addressed by this Congress. We only have a few more days. Every one of these issues could have been addressed and could have come to the floor. The Democrats have been pushing for them, for these issues, and for legislation to address these concerns to come to the floor. It appears in the dying days of this Congress that these issues are simply not going to be addressed. They should be. It is not fair. It does not address the concerns of the average American.

Now, the first one I want to talk about is the Patients' Bill of Rights, HMO reform. We know from our own constituents, I can certainly say for my constituents, that one of the biggest problems people face is, if they are in an HMO, oftentimes they are denied access to the care that they need, that their physician says that they need.

Now, that may be the individual who goes to the hospital and finds that the doctor says to them that they need to stay a couple extra days in the hospital after recuperating from a particular operation. Or it may be the individual who has the need for a particular operation, and the HMO says they are not going to pay for it, they are not going to cover it.

There are so many situations. There are situations where people, their HMO plans say that they cannot go to the local hospital, they have to go to a hospital 50 miles away. They may be in a situation where they want to go to the local emergency room, and they have to go to the one 50 miles away; otherwise, it is not covered.

These are the kinds of abuses that we see, not every day, but on a fairly regular basis. A lot of people come to my office and complain about these things.

Now, what the Democrats said is, well, we want to address these abuses. Generally, the plan that the Democrats put forth, with some Republicans, the Patients' Bill of Rights, the Norwood-Dingell bill, has two major ways of correcting the abuses in sort of an overall sense.

One is that it provides that, if a decision has to be made about what kind of care one is going to get, that that decision, rather than being made by the insurance company, is made by the physician and the patient. The definition, if you will, of what is medically necessary, the hospital stay, the particular operation, of what is medically necessary is made by the physician and the patient, and not by the insurance company.

The second thing it does in a broad sense is the Patients' Bill of Rights says that, if one is denied care because the insurance company says one cannot have that operation, for example, then one has to have an ability to redress that grievance.

The Patients' Bill of Rights does it in essentially two ways. One, it says that one can go to a board outside the jurisdiction or outside of the umbrella of the HMO, an independent review board that will look at the case and decide whether the HMO made the wrong decision in denying one that care. Absent that or sort of an appeal from the review board is that one can go to court and one can bring suit. These are really very simple things.

Basically what happened here is that the Democratic leadership, the Vice President, the President got together, and we were able to get some Republicans on the other side, initiated by Republicans that were physicians, the gentleman from Georgia (Mr. NORWOOD), the gentleman from Iowa (Mr. GANSKE) and some others, to join us and put together the Patients' Bill of Rights, the Norwood-Dingell bill.

The Republican leadership opposed it. The Republican leadership did not want to bring it to the floor. We went out and got a discharge petition, which is a way of coming up to the well here

and getting almost a majority of the Members to sign a petition saying we want it brought to the floor.

The Republican leadership eventually brought it to the floor. It passed with almost every Democrat and maybe a third of the Republicans. It went over to the Senate where it was killed by the Senators who will not even let it come out of conference between the two Houses.

But, again, this is an important piece of legislation, just as important as a prescription drug benefit under Medicare, just as important as trying to address the problems of the uninsured; and we find that the Republican leadership in this House of Representatives simply will not let any of these good measures move forward.

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They have stopped them, and they are still stopping them in the waning hours of this Congress.

I see I have been joined this evening by two of my colleagues who have been out front on all of these issues over the last 2 years, and even beyond that, and I am very pleased to see them here.

I will first yield to my colleague from Texas (Mr. TURNER), who has done so many things, but I think probably the best example I saw was the period of time in his district where he spoke to the different senior groups and had them bring in their prescription drugs and tell him about the problems that they faced with prescription drugs, and actually brought the pill bottles down here, and suggested the rest of us do the same, and we very dramatically showed, along with the gentleman from Texas, about what kind of problems the average senior faces in Texas and in all of our districts.

So I yield to the gentleman from Texas at this point.

Mr. TURNER. It is good to join my colleague here on the floor tonight to talk about the important issues that are still pending before this Congress that have not been acted upon.

Here we are, very near the end of this session of Congress, and still we have been unable to see the patient's bill of rights put into law, which is so very essential to all Americans to ensure that they are able to make their medical decisions with the consultation of their doctors and not have that interfered with by the insurance company clerks that work for the HMOs. I think it is way pastime for Congress to act on this very, very critical issue.

I had the opportunity when I was in the Texas legislature in 1995 to carry the first patient's bill of rights. It passed overwhelmingly in the legislature, had only 4 no votes, as I recall, out of 31 members of the State Senate. It passed by voice vote in the House.

We recognized early on, as many States did, that we needed patient protection to be sure that doctors and not insurance companies are making medical decisions affecting our lives and our health. Unfortunately, in 1995, our

governor, Governor Bush, vetoed that bill. We were at the end of the session and had no opportunity to override, which we certainly would have done had time not run out on the session. But we did see the legislature in 1997 come back and pass similar legislation. And part of that the governor signed, and another part, relating to accountability, he let become law without putting his signature on the bill.

In any event, we found ourselves in a position, after many States adopted patient protection legislation, of seeing lawsuits arise, filed by the big insurance companies and the HMOs, alleging they should not have to be bound by these State protections that many legislatures adopted, simply because, they said, they were multi-State plans and covered by Federal law, which preempted all State regulations. So that is why in this Congress many of us have united together to try to provide protection for all patients, whether they are covered under a State plan or whether they are covered under a multi-State plan that does not have any regulation or patient protection unless we in the Congress pass a Federal law to protect patients.

Thus far, as the gentleman has pointed out so clearly, even though we have passed a good strong, bipartisan bill in this House, the Senate watered it down, and that bill is stuck in conference committee because the majority, who passed that bill in this House, were not appointed to that conference committee. That bill has never been moved forward. I think that is a great disservice to the people of this country, and I am hopeful that we can see action soon on a good strong patient's bill of rights.

I also believe it is a failure of this Congress not to deal with the problem of prescription drug coverage for our seniors under Medicare. I was looking at a Texas paper the other day, the Dallas Morning News, that had a long article talking about the problems that our senior citizens have faced with affording prescription drugs. This article is entitled "A Dose of Reality." It tells the stories of three seniors. Their stories are like the many that I have heard in my district over the past 2 and 3 years, since we have been working to try to get some action out of this Congress on this issue.

Those stories, over and over again, tell about seniors who are taking six, eight, twelve prescriptions a month and are having to make the difficult choice of do they fill their prescription or do they buy their food or pay for their utilities or pay the rent. And in a country as prosperous as we are and as compassionate as we would like to say we are, one would think that we could provide a prescription drug benefit under Medicare to allow all of our seniors to be able to afford their prescription medicines.

I am hopeful that this Congress will act on this issue before we adjourn, because I think it is a sign of a true fail-

ure of this Congress if we fail to provide our seniors some help on prescription drugs. The gentleman from New Jersey and the gentleman from Maine (Mr. ALLEN), who is here with us tonight, have all worked diligently on this problem. There is no reason in a country like ours to think that our citizens have to pay prescription drug prices that are twice as high as anyone else in the world pays.

I think, frankly, when it comes right down to it, the inaction of this Congress can be traced straight to the influence of the big drug manufacturers over some in leadership in this Congress. Because the truth of the matter is, the drug companies have spent millions of dollars trying to defeat our efforts to put a prescription drug benefit under Medicare. And it is easy to understand, because they know that if we ever have a prescription drug benefit under Medicare, the government is not going to pay the same high prices that a senior is having to pay today when they walk in a local retail pharmacy. They will not pay those kind of prices. The big drug companies have it their way now and they do not want to give it up.

I was very proud when the Vice President made as a part of his agenda a prescription drug benefit under Medicare to provide affordable prescription drug coverage for seniors. The truth is we cannot wait another 4 or 5 years to provide that kind of coverage. And this idea that Governor Bush has espoused of giving a little money to the States to just take care of the low-income seniors, that is only half a loaf. The truth is, whether or not an individual is low-income or not does not determine whether or not they are having a hard time paying for their prescription medicines. It is how sick an individual is as well as how big their pocketbook is.

I guaranty my colleagues there are many middle-income seniors in this country today that have high prescription drug costs, and they cannot afford them. Even though they may be classified as middle income seniors, they simply cannot afford those six and eight and twelve prescriptions they are having to fill every month. Those people also need help.

And if we all believe in Medicare, and everybody around here seems to say they believe in it, then there is certainly nothing wrong with bringing it up to the 21st century to be sure that it covers prescription drug costs. I think, frankly, when President Lyndon Johnson, from my State of Texas, signed Medicare into law in 1965, it would have had a prescription drug benefit if prescription drugs had been as large a portion of our health care costs as they are today.

So these are the items that this Congress has failed to deal with, and I am proud to be among those on this floor tonight who have worked hard to try to bring this kind of prescription drug coverage and this kind of legislation to

protect patients enrolled in managed care, because the American people want it. And I do not think they understand the influence of the insurance industry and the drug industry that is keeping us from being able to get a majority of this Congress to support this legislation.

So we are here tonight to sound the call for action once again, and I am proud to join with the gentleman.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from Texas. I think that when he talks about the substance of all this, and obviously that is crucial and that is why we are here tonight, but more than anybody else the gentleman has brought home to us, with the things he has done in his district, about how this is really something that affects the average person, and that our constituents are suffering, that our seniors are having problems getting prescription drugs because of the price and because of the price discrimination.

We are not just talking about something that is pie in the sky. This is something that is real for the average citizen.

I will now yield to my other colleague, the gentleman from Maine (Mr. ALLEN), and just point out that he, probably more than anybody else, has brought out this whole issue of price discrimination, not only between different Americans but even by comparison to prices abroad. So I yield to the gentleman.

Mr. ALLEN. I thank the gentleman for yielding to me and for his leadership on this issue, along with the gentleman from Texas (Mr. TURNER). We have been going at this now for over 2 years.

It is interesting to watch in the public and in the debate in this chamber how the issue has taken form. It now has gotten so fuzed up, so complicated that we cannot blame people for having a tough time figuring what is going on, when under the surface it is actually very simple.

Seniors pay the highest prescription drug prices in the world, and the adversaries, the people who are trying to keep them paying the highest prices in the world, is the pharmaceutical industry. The gentleman was talking a moment ago about the special interests. Because of the law that this Congress passed dealing with so-called section 527 organizations, we now have information that we did not have before. This group called Citizens for Better Medicare is a group that has been out there running ads now for about a year and a half now around the country. It is a wonderful name, is it not, Citizens for Better Medicare? The trouble is they are not citizens, it is the pharmaceutical industry, and they are not for better Medicare because they do not want Medicare to provide a prescription drug benefit. They want insurance companies and HMOs to provide that benefit.

But we just have a report filed with the FED from Citizens for Better Medi-

care which shows that between July 1 of this year and September 30 of this year they spent \$8.5 million running TV ads around the country. And if my colleagues look at what those TV ads are trying to do, they are trying to make black white and white black. What they are really doing is saying that the people who have been fighting for a Medicare prescription drug benefit are terrible and are not for seniors, and the people who have been fighting against a Medicare prescription drug benefit for seniors are heroes.

If we look at the legislation that we have been working on, the bill that I introduced, that the gentleman from Texas (Mr. TURNER) has worked on, that the gentleman from New Jersey (Mr. PALLONE) has been an advocate for for a long time, it is very simple, Prescription Drug Fairness for Seniors Act, that bill does not have any significant cost to the Federal Government. No new bureaucracy. Yet we have 152 cosponsors and not one Republican. Not one Republican will stand up and support giving a discount to Medicare beneficiaries so they can get the advantage of the best price to the Federal Government. Not one Republican is willing to stand up and support that approach.

When we turn to the Medicare prescription drug benefit, which is where the government would help to pay for part of, not all but 50 percent of the initial cost of prescription drug prices for seniors, my recollection is that we do not have one single Republican on that bill; am I right?

Mr. PALLONE. That is true, we do not.

Mr. ALLEN. Yet if we listen to the debates, George W. Bush said during the debates that he wanted to do a Medicare prescription drug benefit. Three months ago there was no plan from the Republican nominee George W. Bush. He did not have a plan for prescription drugs. Now he has one.

He adopted it based on what the Republicans in this chamber did. And what was that? That was a plan that the pharmaceutical industry loves, and only the pharmaceutical industry could love, because it was a plan that provided government subsidies to insurance companies so that they could provide private sector health insurance to cover prescription drugs.

Little detail. Small problem. The health insurance industry has said loudly and clearly and repeatedly, we will not provide stand-alone prescription drug coverage for seniors. So who is the prescription for? The answer: It is for Republican candidates.

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Get them past November 7 and then we will deal with it. But by then it will be too late to deal with seniors to give them what they really need. They keep coming back. The way to do this is real simple. Follow the money. Follow the money. And the special interest money from the pharmaceutical industry

through Citizens for Better Medicare, through the U.S. Chamber of Commerce, through other business groups is not reliable.

Basically, we have been fighting for seniors to get them lower prices and coverage for prescription drugs for 2 years with no help from Republicans on the other side of the aisle. And now the effort is, of course, by the pharmaceutical industry, they can spend enough money on confusing television ads maybe. Maybe they can confuse the American people enough as to who is really on their side to get them through November 7.

Mr. PALLONE. Mr. Speaker, I want to develop what my colleague said a little bit if I can maybe go back and forth a little here because I think it is so true and so important.

First of all, with regard to this special interest money, I wanted to say and I have said many other times on the floor that I was a victim of this 2 years ago in 1998 when I was running for election. At the time, of course, I was an advocate for HMO reform and I was an advocate for the health care agenda that we have talked about here tonight. And as a consequence, a group was formed and at that point they did not have any disclosures, which the gentleman is pointing out now about how they have to disclose and he has those documents from the FEC was not true before.

Basically, a group was formed to do an independent expenditure against me that was primarily financed by the health insurance industry, by the HMOs and by the pharmaceuticals. And they spent about \$5 million in these independent ads, about \$3 million on New York TV, which is the most expensive market in the country.

And of course, even though they were financing it, they did not talk about the health care issues. I do not even remember what they talked about. I think it was that I was raising taxes or something unrelated, if you will, to the health care issues. I had to bring out the fact that this money was coming from the health care industry, from the pharmaceutical industry, and why they were doing it because I was supporting HMO reform and supporting a prescription drug benefit and supporting the things that we talked about this evening.

No disclosure. Corporate money, what we call soft money, not the individual kind of contributions. If people want to contribute to us, they have to make an individual contribution, they have to disclose it. The maximum is a thousand dollars. This was all corporate. This was hundreds of thousands of dollars adding up to \$5 million.

This goes on all the time. I mean, I still think that even with the disclosure that the gentleman is talking about there is still a lot ways to get around this under current law.

Mr. ALLEN. Mr. Speaker, let us turn just for a moment to another special interest, the HMO industry.

This is a report done by the General Accounting Office that came out in August of this year, August 2000. The title is "Medicare+Choice." That is the managed care plan. That refers to managed care plans that operate within the Medicare system. This was an approach to get HMOs into Medicare that the Republicans pushed very hard in 1997. It was incorporated into the Balanced Budget Act. I think a lot of us hoped that it might work, that it might drive down costs.

But what this GAO study says, the title is "Payments Exceed Cost of Fee-for-Service Benefits Adding Billions to Spending."

This report concludes that although HMOs were allowed to come into Medicare on the theory that it would help reduce costs and expand benefits, it turns out that what has happened is the costs are higher for Medicare+Choice, for managed care and Medicare, than they are for the traditional fee-for-service benefit, the way Medicare has operated. So at this point you have to say what is the purpose of having HMOs operate under Medicare.

Now, look at what we did just yesterday. Just yesterday, the Republican majority brought to the floor of this House a tax relief bill which had attached to it a whole array of different things, but one of the things was what we have been calling in Medicare a BBA give-back, a Balanced Budget Act give-back.

Why was that brought to the floor? A lot of us had supported an earlier bipartisan version. Because when we go back to our districts, we hear from our hospitals, we hear from our home health care agencies, we hear from our long-term care agencies that what happened in 1997 was too severe, the cuts have been too great, there has got to be some restoration or we are going to find hospice programs, hospitals, nursing homes, and home health care agencies simply going out of business.

So the bill that comes to the floor yesterday is a bill that gives \$11 billion back not to hospitals and the other providers but to the HMOs over the first 5 years and \$34 billion to the HMOs over 10 years.

Now, what good does this do? Absolutely none. It does no good, because the money just goes to the HMOs. There is no accountability. There is no requirement that an HMO stay in a particular State, that it serve people it is serving now, that it serve people that it is not serving now. It is simply funneling money to an HMO industry, which just coincidentally gave \$4.8 million to the to the Republican party and its candidates in 1999 through June of this year.

Now, we have to be suspicious. When we have our providers, the hospitals and others saying we have to have some restoration of these funds, when we have a bipartisan group working on a plan and it is moving along well, and then at the last minute that bipartisan

plan is yanked and we get something that puts 40 to 47 percent of the benefit of that give-back straight to the HMO industry, we have really got to wonder.

The truth is this is again another case of whose side are they on. They can be on the side of seniors and can they help their providers, but they cannot do that and also be funneling money to the HMOs.

Mr. TURNER. Mr. Speaker, I just want to tell the gentleman that I think the medical providers and the hospitals across this country have figured out what was wrong with that bill that the Republican majority passed on the floor of this House the other day.

I have got a letter here in my hand that came in just a couple of days ago. This is from a hospital administrator in my district, George Miller. George is a real fine administrator of Christus Jasper Memorial Hospital down in Jasper, Texas, in my district. Here is what he writes me.

He says, "We are extremely concerned because, in the present language in the bill," referring to the one that was passed yesterday, "it provides one-third to one-half of the Balanced Budget Act relief," that is the money, one-half to one-third of the money, "over 10 years would go to HMOs, leaving less for providers and beneficiaries in East Texas, such as Christus Jasper Memorial Hospital."

Further, he writes, "The bill does not prohibit HMOs from dropping benefits or leaving the community, as they have done here in Texas and left many of our patients without HMO coverage. We need your help."

This is from my hospital administrator in my district in Jasper.

I want to tell my colleagues, I have had town meetings in my district during the August break and I went around to talk about the problem of prescription drug coverage for seniors, and what I was confronted with was seniors who were angry because they had just received their letter of cancellation from their HMO, seniors that had signed up for Medicare Choice HMO plans solely because the HMOs said, we will put on a little prescription drug coverage for you if will you go with us and get off traditional Medicare.

As long as we cannot get this Congress to approve a prescription drug benefit under Medicare, those HMOs have a real strong leverage to appeal to those seniors. That is another reason we are having a hard time putting a prescription drug benefit under Medicare is because not only do the drug companies oppose it because they are afraid they cannot charge the same high prices to the Government as they are doing to our seniors, but the insurance industry knows that they are sunk if we put a prescription drug benefit under Medicare because they have been selling seniors HMO Medicare+Choice plans with the benefit of some prescription drug coverage and if they lose that advantage, our seniors are going back to regular Medicare.

And why are we promoting seniors going into HMO Medicare+Choice plan, whether, as the gentleman from Maine (Mr. ALLEN) pointed outside, the General Accounting Office, the bipartisan agency that advises this Congress, tells us that Congress is already spending more money allowing seniors to be enrolled in HMOs than they would if we just let them be in regular Medicare.

So we have got an issue before this Congress right now, and I am confident the President is going to veto that bill when it ever reaches his desk. Because the truth of the matter is I have got hospitals in my district that are about to close because we have not provided enough money to them under the Medicare reimbursement plan.

I just do not think it is right to be lining the pockets of the insurance companies by increasing dramatically almost half of the money going into Medicare is going to these HMOs to allow them to increase the bottom line profit for them while I have got hospitals in rural East Texas that are going to close because we are not putting the money into the Medicare program that will reimburse them for their services.

Instead, this Congress wants to give it to the big insurance companies. That is just not right. And I am proud the President has already spoken out saying he is not going to stand for it. And I think sooner or later the American people are going to figure out who is on their side in this Congress. And I guarantee you, it is not the insurance companies and the big drug companies and those who are dancing to their tune.

Mr. PALLONE. Mr. Speaker, I just want to follow up on what the gentleman from Maine said.

First of all, I have to say to my colleague from Texas that he is always so good at bringing these issues down to the average person and how it affects his hospitals and how it affects his seniors. I want to keep saying over and over again, that is why we are here talking about this because it directly affects our constituents.

But I wanted to go back to the GAO report that the gentleman from Maine (Mr. ALLEN) mentioned. Because I mean, he just brought that out so well. I mean, the problem here with this tax bill that the President is going to veto, we are giving all this money to the HMOs and they are already costing the Federal Government more than the traditional Medicare fee-for-service. And I can think of at least three reasons why.

First of all, what do they do with that money? They are taking it and they are paying for political ads against the people that do not support their interests. They are using the money to pay for the administrative costs of their CEOs' bill salaries, vacations, who knows what.

The other thing that I was thinking about, too, is advertising. In my district I have been to some of these meetings where they do all of this huge

advertising in the papers. I remember once there was a local diner and they had all the seniors come to the diner and they were giving them lobster dinners if they came to the diner to sign up for the HMO. So that is where all that money is going for all these other costs.

The amazing thing is that the hospitals and the nursing homes and the home health care agencies that are not getting the money from this tax bill, or getting much less, they are more direct providers. I mean, that money is going almost directly to them. Medicare fee-for-service has very little overhead. So they are just paying the money to them to take care of the people's health needs as opposed to all this other nonsense that the HMOs are doing.

Mr. ALLEN. Mr. Speaker, the gentleman talks about the overhead. It is very simple. Medicare is equitable. It covers everyone all over the country who qualifies for it. Medicare does not pick up and leave the State if it is not making money. This is a program that has continuity and predictability and stability. And get what? Its administrative costs are around three percent.

When they go to the private sector to these HMOs and these insurance companies, they have got administrative costs that they do not have at all with Medicare. First of all, they pay their executives millions and millions of dollars. And there is no one in Medicare, no one at HCFA or anywhere else here who is being paid millions of dollars. And second, they have got to earn a profit. And third, they have got all sorts of marketing costs that Medicare would not have.

So compared to the two to three percent administrative cost for Medicare, they have got 20 percent, 30 percent depending on the insurance company, they have got very big administrative costs.

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I want to bring this back to my home state. In Maine, as of July 1, there was a notice. We had only 1,700 people in Maine that were signed up for managed care. That is 1,700 people in Medicare signed up for managed care. And they all got a notice shortly after July 1 from the carrier saying that come December 31, the carrier was pulling out of the state. Two of those people were my parents. That was how they got their prescription drug coverage. Now they have got to go out and buy some other kind of supplemental insurance, but it will not be any managed care plan.

So the benefits of HMOs and Medicare are now gone. There are none. There are going to be none in the State of Maine, and they will have to go find some Medigap policy. But the trouble with those policies is, A, they are expensive, and B, they have very limited coverage. They do not have anything like the kind of catastrophic coverage that is part of the Democratic plan,

what AL GORE proposed, as a way to deal with prescription drugs.

So I look at this so-called tax relief bill, this Balanced Budget Act give-back that we passed yesterday, and I know that that \$34 billion over the next 10 years is not going to the State of Maine, it is not going to east Texas, it is not going to hospitals, it is not going to home health care agencies, it is not going to nursing homes; it is just going straight into the pockets of the HMOs.

That is fundamentally wrong, fundamentally wrong. Here we are, trying to make sure that seniors, for whom health care is a real worry, the people I talk to, are very worried that their money is going to run out. They are very worried they are just not going to be able to take the prescription drugs that the doctors tell them they have to take. With all the anxiety, what this Republican Congress is doing is catering to the special interests, the pharmaceutical industry and the HMOs. It is wrong and it needs to change.

Mr. TURNER. If the gentleman will yield, it is really amazing when you really get down and look at the hard, cold facts of the bill that was passed in this House yesterday, that gave almost half of the additional funding for Medicare goes to the HMOs and the insurance companies, because, the truth is, there are only about 15 percent of America's seniors that even have or live in an area where they have the opportunity to select a Medicare+Choice HMO plan.

In my 19 county Congressional district, today there are only two counties where there is even an HMO Medicare+Choice plan offered by the insurance companies. Now, why in the world, if only 15 percent of the senior population of this country even have the opportunity to buy one of those HMO plans and take advantage of the little add-ons they are able to offer, prescription drug coverage, eyeglass coverage, why would we give almost half of the additional money that we choose to appropriate this year to those HMO plans which are only available to 15 percent of the seniors?

It is just not right, particularly when you have got hospitals all across this country that are about to close their doors because the Medicare reimbursements are so low.

Now, it does not take a smart person to see the fallacy in what is going on around here, and I think it is pretty apparent that the insurance industry and their lobbyists are carrying the day, not the American people.

In Texas, in Texas we have 270,000 seniors who were forced to skip a necessary prescription in 1998 because they could not afford it. We had 800,000 seniors in Texas who were forced to pay for their own prescription drug costs because they had no insurance coverage of any kind.

You would think that, surely, we can do better. And I believe we must do better. Prescription drug coverage for

seniors under Medicare, patient protection legislation to be sure everyone enrolled in managed care gets to make their medical decisions with their doctor, not having some insurance clerk interfere, and to think that we cannot figure out how to accomplish these things in this Congress is really more than many of us here can understand.

So I am just hoping and praying that we will get the kind of legislation that the American people want and need. I was here yesterday, sat right up here in the gallery with a young family, husband and wife and a young daughter from Newton County in my district. The young daughter has leukemia.

I sat there and listened to the father talk about their experience with managed care. He even told me about his experience of his wife, who needed surgery a few months back and had to fight her managed care company to get the surgery approved, and, after they finally got it approved and she had it, they had to fight with the same HMO to get the bill paid.

There are people all across this country that can tell similar stories about dealing with their HMOs, and I think this Congress must act. I am proud to be here tonight with my colleagues to continue the battle that ultimately we will win, because we are on the right side of this issue for the American people.

Yes, I think, as the vice president said, it is really a choice of are we for the people, or are you for the powerful, and I think we had better come down on the side of the American people.

Mr. PALLONE. I appreciate the gentleman's comments. I know we do not have a lot of time left and I want to yield to the gentleman from Maine, but I wanted to say the issues of abuses by the HMO affect everyone, by insurance companies.

I had a situation myself, and I have not mentioned it for a while because we now have the law that we passed in the previous Congress that says that for the drive-through deliveries, you have to allow at least 24 hours, I think it is now 2 days for normal delivery, and maybe 4 days for a C-section, when a you have a baby. They had changed the rules in between my daughter being born and my son being born, when they were both born by C-section.

We were actually at Columbia Hospital for Women here in D.C. between the two births. The law had changed, or at least the insurance company changed it, and when my son was born, after the second day, they said my wife had to come home and he had to come home from the hospital. It was only because there was a law in D.C., and I do not think it exists in a lot of states, that says before the child goes home he has to be examined by a pediatrician for certain things, and they found he was jaundiced. So they let the two of them stay, my wife and son stay, an extra day in the hospital. Then we passed the law to prohibit the drive-through deliveries. But these abuses impact everyone. It is across the board.

I yield to the gentleman from Maine.

Mr. ALLEN. I thank the gentleman for yielding. In conclusion, I thought I would try to simplify this about the prescription drug benefit. The Democrats are saying, all of us are saying, that what we want is a Medicare prescription drug benefit. That is, seniors would get their prescription drug benefit as part of the Medicare package.

This is exactly what every Member of this House has through his or her own insurance, because everyone in this House has some plan through the Federal employees insurance, and it is a plan that you sign up for and other Federal employees get, and if they have prescription drug coverage, which I suspect almost everyone here does, they have it as part of the plan. If they have a Blue Cross plan, they have a Blue Cross prescription benefit; if they have an Aetna plan, they have an Aetna prescription benefit.

All we are saying on the Democratic side of the aisle is, let us have a Medicare prescription drug benefit. And what the Republicans are saying is no, no, no, no, that would be wrong, because, after all, Medicare is a Federal health care plan. We would not want Medicare to provide a prescription drug benefit. That would be somehow wrong, because it is a government plan. That is nonsense. It is not right. It is absolutely not right.

The benefit, the prescription drug coverage should come through Medicare. It is the health care plan for our seniors and our disabled people, and there is no excuse to try to create some Rube Goldberg system involving private insurance companies and HMOs as an alternative. But that is what the folks on the other side of the aisle have been trying to put over on the American people.

Mr. PALLONE. I listened to that third debate between the two presidential candidates, and I was very upset to hear Governor Bush say he was providing a Medicare prescription plan. I believe he used the term Medicare.

Mr. ALLEN. He did.

Mr. PALLONE. Yet the Republican plan and his plan is a voucher. It is not under Medicare. It is a voucher that you get if you are below a certain income, not for most people, but if you are below a certain income, to go out and try to find an HMO or somebody to cover your prescription drugs. So, to even suggest that somehow this is a Medicare plan is not accurate. It is not under Medicare.

I think that is a major distinction between the Democrats and the Republicans on this issue, that we want to use traditional Medicare for the prescription drug benefit, and the Republican leadership does not. That is a key difference here, no question about it.

Mr. TURNER. If the gentleman will yield, you know, I think you are right on target. When you combine that fact with the fact that these Medicare+Choice plans are not even available, and you hear the proposal that Governor Bush makes to give the seniors a voucher so they just get 25 percent of the premium for their insurance covered by the government, what we are moving toward, and I think it is wrong, it is a system where no longer do you have the same coverage no matter where you live in this country.

Medicare, as I have always understood it, said that no matter where you live in this country, whether you live in the city or in the country, in rural America, urban America, you have the same coverage and the same benefit. And when you refuse to provide a prescription drug benefit under Medicare, and you only allow the HMOs to offer plans that can add on a prescription drug benefit, what you have done is changed in a very dramatic way what Medicare should mean to every senior, no matter where they live in this country.

Mr. PALLONE. I want to thank my colleagues for joining me tonight.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. NADLER) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. CARSON, for 5 minutes, today.

Mr. ETHERIDGE, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Mr. VISCLOSKEY, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

(The following Members (at the request of Mr. SHAW) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, October 30 and 31 and November 1, 2, and 3.

Mr. RILEY, for 5 minutes, today.

Mr. SOUDER, for 5 minutes, today.

Mr. HOSTETTLER, for 5 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, October 30.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mrs. MEEK of Florida, for 5 minutes, today.

Mr. BACHUS, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3045. An act to improve the quality, timeliness, and credibility of forensic science services for criminal justice purposes, and for other purposes; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1651. An act to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country, and for other purposes.

H.R. 3218. An act to amend title 31, United States Code, to prohibit the appearance of Social Security account numbers on or through unopened mailings of checks or other drafts issued on public money in the Treasury.

H.R. 5178. An act to require changes in the bloodborne pathogens standard in effect under the Occupational Safety and Health Act of 1970.

H.J. Res. 117. Joint resolution making further continuing appropriations for the fiscal year 2001, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a joint resolution of the House of the following title:

On October 26, 2000:

H.J. Res. 116. Making further continuing appropriations for the fiscal year 2001, and for other purposes.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Saturday, October 28, 2000, at 9 a.m.