Mr. Speaker, when I travel across my State in South Dakota, and I did during the month of August meet with a number of school districts, the thing I heard over and over and over again is: we need flexibility. Flexibility, flexibility. Allow us to make the decisions about how best to put these dollars to work. Do not have Washington telling us that they know best and coming up with one-size-fits-all solutions. School districts want flexibility.

What else is keeping us here? We passed a tax bill. It had a minimum wage increase on it, which is something the President wanted. We passed a tax bill that includes the President's new market initiative, something that he has worked with our Speaker to try and accomplish. We passed a tax bill that has the repeal of the telephone tax which was put in effect in 1898 to fund the Spanish American War. It needs to be repealed.

We passed a tax bill that allows for the expansion of IRA limits, which is something that I believe the President has also indicated his support for in the past. Deductibility of health insurance premiums for self-employed people, another issue that is included in the tax bill.

Perhaps as important as anything else for the people in my State of South Dakota and all across rural America is a Medicare fix for rural hospitals, something that is very important to rural areas. We have hospitals and skilled nursing facilities and home health agencies that are waiting for this legislation and have come out very much in favor of it. It is about a $30 billion package. It has the support of the American Hospital Association, the American Cancer Society, the National Association of Rural Health Clinics.

Most of the folks in rural areas of this country understand how important this legislation is to their very existence and survival, and so they have asked the President to sign it and not to veto it. And yet the President has indicated that he will veto it, which I think leaves us with one conclusion, Mr. Speaker. That is that the President has decided that this election year is more important than doing the work of the American people. Putting politics ahead of people.

That is why I cannot be with my constituents in South Dakota this evening. And as much as I would like to be home with my constituents, we have to represent their interests, get their work done, complete the agenda of the American people. I hope that the President will work with us.

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

(Mr. DELAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEMOCRATS' CONCERNS REGARDING HEALTH CARE ISSUES

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 as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I listened to the previous speaker on the Republican side, and I know he is well intended. But I wanted to say that I feel very strongly that one of the reasons we are still here, and certainly one of the reasons that has been articulated by the President in his opposition to this Republican tax bill that he has said he will not sign, he will veto if it comes to his desk, is because Democrats and the President and the Vice President feel very strongly that with regard to a number of issues, and I am going to spend time primarily this evening on the health care issues, that the Republican leadership has simply not done its job.

Mr. Speaker, we as Democrats are very concerned about the average citizen and what we do in the House of Representatives and feel very strongly that on a number of issues, and again particularly with regard to health care, that the Republican leadership has simply failed to address the problems that the average American cares about.

We know that we are in times of great economic prosperity and as a result of the President's programs, that prosperity continues. There is a significant Federal surplus for the first time now in a long time. But the problem is that we still have some unmet needs, and particularly with regard to health care. What we see in this tax bill that the previous gentleman from South Dakota (Mr. THUNE) mentioned, and that has been the discussion of much debate over the last few days, is that the Republicans really are prioritizing what I call special interests, particularly with regard to HMOs, as opposed to the public interest.

I have been very critical of the fact that this tax bill that came to the floor last Thursday gave the lion's share of the money to the HMOs without any strings attached, without any requirement that they stay in the Medicare program.

Many of my constituents have complained to me about the fact that they signed up with an HMO under Medicare, and then a year later or so they were notified that the HMO was no longer going to cover them and they had to find some other way to cover their health insurance. Granted, they can go back to the traditional Medicare fee-for-service system, and that is fine. For most people, 85 percent of people who are under Medicare, that is fine and that is great.

But there are problems in the sense that traditional fee-for-service does not cover prescription drugs. Many of my seniors signed up for HMOs because they were sort of lured into it by promises on the part of the HMOs that they would get a prescription drug benefit, and then all of a sudden they found that they did not have one.

Well, what the HMOs did is they came back to the Republican leadership and said, look, we are getting out of Medicare because we are not getting enough money, so give us more money. Give us a larger reimbursement rate, and we will get back into the program. The problem is that the tax bill the Republicans put up last week did not attach any strings. They are saying, okay, we are going to give 40 percent of this new money that we have in the surplus, or 40 percent of the money allocated in this bill, to HMOs. But they do not say that they have to stay in the program for more than a year. They do not say that they have to guarantee any particular level of benefits.

Mr. Speaker, I actually had a motion which I brought to the floor yesterday, or the day before last, which said that in order to get this additional money they would have to agree to stay in the Medicare program for at least 3 years and they would have to provide the level of benefits that they initially promised for that 3-year period. Of course, the reference is primarily to prescription drug benefits, which is why most seniors signed up for HMOs in the context of Medicare.

The Republican leadership opposed that motion and they basically say, look, we want to give this money to the HMOs, and we are not going to have any real strings attached to it. The Democrats and the President have been saying that in addition to the fact that they are giving this money to the HMOs with no strings attached, they are taking away or they are not giving sufficient funds or prioritizing funding for the providers of Medicare, the hospitals, the nursing homes, the home health care agencies. They get significantly less percent of this money under the Republican bill than the HMOs do, and yet they are the ones that are really providing the service.

The HMOs are just insurance companies that ultimately go to the hospitals and the nursing homes to provide the service. And these primary providers are getting less of a percentage of this pot than the HMOs. Again, I would say it is because the HMOs are aligned with the Republicans and basically the Republican leadership is doing their bidding.

Now, what do the HMOs do with the money that they get from the Federal Government? Well, first they provide services. But we know a lot of them spend a significant amount of that money paying for their CEOs. They have huge overhead, huge administrative expenses for a lot of their executives. They do a tremendous amount of advertising. That is how they get the seniors to sign up for the HMOs, doing all of this advertising and having these meetings and giving out free dinners and different things to get the seniors to come and sign up.

Then they also spend a significant amount of their money lobbying and spending money on political ads to lobby against the Democrats' initiative, the Medicare prescription drug program that we have proposed, and the HMO reforms, the Patients' Bill of Rights that we have proposed.

They also spend a lot of their money just in direct or indirect independent expenditure contributions to argue against and for the defeat of Democratic candidates. I was one of the victims of that. I found myself, 2 years ago in 1998, the target of an independent expenditure primarily financed by HMOs and the pharmaceutical industry to the tune of $5 million spent in the last 2 or 3 weeks of the campaign to try to defeat me.

So it is no wonder that it costs the HMOs so much money to operate and why they feel they need more money to operate, because so much of their expenditure goes for these other things that are not health care related.

Now, what the Democrats did today is we tried, when there was a bill that came up to correct this tax bill with regard to another aspect, a minimum wage, the Democrats tried to bring up an alternative bill or amend the Republican legislation so that it included some changes that would diminish the percentage of the money that went to the HMOs and give more as a percentage basis to hospitals and primary providers, nursing homes, home health care agencies.

At the same time, it would say that if the HMOs wanted to benefit from this additional money that was being provided under the bill, that they would have to stay in the Medicare program for 3 years and they could not reduce their benefits.

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It seems to me that makes a lot of sense. We know the HMOs are getting out of the system. There have been many reports, one done by the GAO, the General Accounting Office, just last month in September that said that providing more money to the HMOs is not necessarily going to make them stay within the Medicare system. So why not try a different way of trying to get them into the system.

I want to talk a little more about some of the other things that we had in this proposal today because I think it goes to the heart of my initial contention that the Democrats are trying to deal with the problems, the health care problems that the average American faces; whereas, the Republicans keep trying to do something with this bill that is primarily for the special interests and for the HMOs.

Just to give my colleagues an idea, we had additional money, as I said, for hospitals. We had additional money for the staffing and quality control for nursing homes. We had additional payments to home health agencies. I have been critical of the fact that the Republicans have not been willing to bring up the patients' bill of rights, which is the HMO reform that prevents abuses in HMOs and says the decisions about what kind of care one gets, what kind of operation one gets, what kind of hospital stay one gets, that those decisions should be made by the insurance company and the patient and not by the HMO, the insurance company.

The Republicans have not been willing to bring up the patients' bill of rights. They passed it in the House, but it is dead in the Senate. So what we put in this bill as an alternative to the Republican tax plan today also was a provision that says that, if one has to appeal a decision under Medicare because one has been denied care by an HMO, that one would have a better way to appeal that, go to an outside review board, if you will, to make that appeal so the HMO would not, basically, be reviewing its own decisions. Somebody else would.

This is part of what we had proposed in the patients' bill of rights. So we were, not only trying to give more, we were not only trying to level the playing field with the HMOs and require them to stay in the Medicare program for longer period of time, we were also trying to address the issue or the need for HMO reform.

Now, the other thing that we were trying to do in this bill today, which I think is a distinct improvement over what the Republicans had in mind, is that it relates to the issue of the uninsured. If we ask Americans today about health care and what are the primary problems, they will say HMO abuses, they will say the need for a Medicare prescription drug. But for those who do not have health insurance, which is about 42 million Americans, they will say it is the need to provide affordable health insurance so that they can get health insurance.

Well, in this bill, in this tax bill that the Republicans put forward last week and has been the subject of discussion for the last few days, the Republicans said that they are going to give an above-line deduction for individuals who buy their health insurance. I have been critical of that because it is not going to help, again, the people who do not have health insurance. In other words, most of the people that would be able to take advantage of that are people who already have health insurance and they will get a deduction.

But what about the 42 million people that do not. The type of deduction that is provided is not really going to provide a system for those 42 million, or few of them, to buy health insurance because their problem is their employer does not provide it, and they cannot afford it on the private market. A little bit of a deduction the way the Republicans have set forth is not going to get them to be able to afford health insurance.

What the Democrats have been saying with regard to the uninsured, and, again, this is Vice President GORE's proposal, is that we have to build on the existing kid's health initiative which was passed here in the House of Representatives and became law a few years ago, that provides Federal monies back to the States so that they can sign up children of working parents who now cannot afford health insurance.

What Vice President GORE has been saying, what President Clinton and what the Democrats have been saying is let us expand that program to a little higher income level so that the kids whose parents work but maybe are a little above the current guidelines will still be able to take advantage of this program.

We have also been saying that, perhaps, we should let the parents of these children buy into the program. It is more likely that if a parent can provide or get health insurance for their children, that they would like to sign up the whole family for this program with these Federal dollars.

So I have been critical of this Republican tax plan because it really does not do anything to get more people enrolled in health insurance who do not have it. I would like to see some changes, instead, in some money used under this bill to sign up more people and get more people involved in this kids health initiative.

So what we have in the Democratic alternative that was discussed today but, of course, defeated was a way of providing additional coverage, money that would be used to do outreach to get more children enrolled in the program.

Again, it is a different approach to what the Republicans have proposed, but I think it is an approach that will work in getting more people provided and covered by health insurance; whereas, I do not think the Republican proposal accomplishes that.

I want to stress throughout this because I hear my Republican colleagues say that this tax bill is a great bill, and the President should sign it because it is going to help.

Well, I am not going to argue that in some ways it might help a little; but given the amount of money that is being thrown to the HMOs, given the amount of money that is being given to a lot of these special interests, it is not going to help very much.

We could use that same amount of money in a different way under the Democratic proposal to really do a lot more to make sure that seniors who are on Medicare can find an HMO that provides them with decent coverage, including prescription drugs, we can do a lot more to cover the uninsured with that same amount of money than what the Republicans are doing.

Now, just to give my colleagues some perspective on this, in the tax bill that the Republicans put forward and passed, over one-third of the Federal dollars were allocated to HMOs. It is almost 40 percent, 41, 42 percent. The Republican plan 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.

Well, keep that in mind. In other words, if one has this senior, group of seniors and disableds that are in Medicare now, only 16 percent of them are in an HMO. Yet, when we address the issue of trying to provide additional funding for Medicare, we are going to give for those 16 percent 40 percent of the money. The other 85 percent who would benefit more from having this money go to the hospitals or the nursing homes or the home health agencies directly, they are only getting 60 percent of the money.

It makes no sense, other than if one looks at it from the perspective that the Republicans are with the HMOs because they are helping them with their campaigns. They are trying to get rid of Democrats, and they are doing all these other things to help the Republican cause.

I also wanted to give my colleagues another example. This was an article that I took from USA Today back in February of 2000, but I have kept it because it really kind of says a lot about what the HMOs do with the money.

This report found $4.7 million in questionable administrative costs among nine Medicare HMOs, including lobbying and gifts. One insurer spent $249,283 on food, gifts and alcoholic beverages. Four HMOs spent $106,490 for sporting events and theater tickets. Another leased a luxury box at a sports arena for $25,000. Customers, insurance brokers and employees at one HMO were treated to $37,000 in wines, flowers, and other gifts.

I gave the example the other day, Mr. Speaker, of where an HMO in my district did this huge advertising campaign to get people to go to the local diner. They offered them a Maine lobster dinner for the evening to get good people to sign up for the HMO.

I mean, this is crazy. Here we are being asked to give more money to the HMOs so that they can spend the money for these administrative costs, for this advertising, and these other things that ultimately do very little, if anything, to help the average senior or the average American.

Now I wanted to, if I could, Mr. Speaker, spend a little time talking about the Democratic alternatives on the two issues of prescription drugs and HMO reform, and I will probably also get in a little bit to the issue of dealing with the uninsured. I talked so far about these issues in the context of this tax package today.

But what I want to reiterate to my colleagues is the fact that, over the last 2 years, and even beyond, since the Republican leadership has been in the majority here, there are major overhauls of all these programs that could have been done and that, in fact, were proposed and even in some cases voted on by the House that were initiated by the Democrats with the help of some Republicans that would have made a huge difference in people's lives with regard to seniors access to prescription drugs, with regard to HMO abuses, with regard to the problem of these over 40 million Americans that have no health insurance.

Yet, in each case, the Republican leadership stymied and tried to prevent this legislation from coming to the floor or, even if it did pass, they killed it in the other body or they did whatever they could in conference between the two Houses to make sure that it did not move forward.

I guess the best example of that is the issue of HMO reform, which I still think, along with Medicare prescription drugs, is the number one issue that I hear back at home in my district in New Jersey.

What the Democrats were saying with regard to the HMO issue is that we are tired of the abuses where the HMOs will say to an individual or a patient, okay, you cannot have this particular operation or you cannot stay in the hospital this particular length of time, or we are not going to let you have this particular medical equipment because we do not think it is necessary.

We want to change that. The Democrats and some of the Republicans want to change that so the decision about what is medically necessary and what kind of care one gets is made by the physician and the patient, not by the insurance company. In addition, we want to give one some enforceable way of rectifying a grievance if one has been denied care because the insurance company said one cannot have it.

Now, the answer to this that we put into bill form was a bill called the patients' bill of rights, also known as the Norwood-Dingell bill. It was mentioned by the Vice President in the last debate that he had with Governor Bush. He actually asked Governor Bush whether he would support the Norwood-Dingell bill and Governor Bush did not respond or certainly did not indicate that he would support it.

The patients' bill of rights really does two things. It switches the decision making from the insurance company to the doctor and the patient; and it says that, if the insurance company denies one care, we are going to give one a way to go to an independent board that could overturn that negative decision, or failing that, or absent that, one could go to court and have the court enforce one's rights and make sure that one has the service that one and one's physician thinks are medically necessary.

But let me just go into some of the other provisions of this bill before I talk about its fate and why I blame the Republican leadership for its not passing in this Congress. The legislation, first of all, protects all Americans and all health plans, it is not limited to certain types of health plans.

It assures access to all emergency rooms when and where the need arises. Many of the HMOs now will say one can only go to certain hospital emergency rooms even if one feels that one is having a heart attack. If one goes to the local emergency room rather than the one they tell one to go to that is 50 miles away, and one does not die, then they will come back and say, well, you should have gone to the other emergency room 50 miles away, and they will not pay for it.

Well, this says that is not acceptable if one thinks that one needs to go to the emergency room, one has a legitimate reason, one has chest pains or whatever, they have to pay for it.

Some people are surprised to find that is true until they have the emergency and they find out it is not paid for.

The patients' bill of rights also guarantees access to the specialists the patients need. One of the ways that HMOs limit care is they will say you could go to a particular specialist. I will give my colleagues an example of pediatrics. They will say one can only go to a certain pediatrician, but one cannot go to a pediatrician who specializes in certain disorders.

Well, we say no. One has to be able, if they do not have the physician or the pediatrician in my example who deals with that specialty care within their network, then one has to be able to go to the doctor outside the network, and they have to pay.

It guarantees that one has access to a fair and timely internal and independent external appeals process. This is what I said before. The HMO does not hear one's appeal. An independent group does outside of the HMO. It also assures access to clinical trials, assures patients can keep their health plans.

There are a number of other things. I am not going to go into all the details because, you know, for lack of time.

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What happened to this Patients' Bill of Rights? Well, when it was put together by the gentleman from Georgia (Mr. NORWOOD), who is a Republican, and the gentleman from Michigan (Mr. DINGELL), who is the chairman of our Committee on Commerce on the Democratic side, we could not get it brought up on the floor of the House. The Republican leadership did not want it brought up. So we got a discharge petition. This is where we all come to the floor, as many of us as we can, and sign a petition demanding this bill be voted on, be considered on the House floor. As the number of that discharge petition increased and got to be almost a majority, the Republican leadership decided that they would let a bill come to the floor.

Eventually, not easily, it was approved by a majority of the House. I think something like 60 Republicans even voted for it. But then, when it went over to the Senate and there was a conference between the two Houses, the Republican leadership here continued to oppose it, and the Republican

leadership in the Senate had always opposed it; and so they just basically let the conference die. I think the conference met once or twice; but that was it, and the bill is dead. They will not bring it up. So when I blame the Republican leadership for not addressing the issue of abuses within HMOs, it is because of the fact that they have basically killed this bill.

The second major issue is the one with regard to prescription drugs, and this of course has become a major issue in the Presidential campaign. What the Democrats have been saying, and Vice President GORE of course the same, is that we have an existing Medicare program for seniors and the disabled that works well. Medicare does not have a huge overhead, administrative costs, and it works well. It is a government-run system in the sense that the government pays the cost. So why should we not expand it to include prescription drugs?

When Medicare started in the 1960s, prescription drugs were not that important. Preventive medicine was not that important. It has become so. People now can pay incredible bills, $4,000 or $5,000 a year, sometimes more, for prescription drugs. So we need to cover this under the rubric of Medicare. And rather than hoping that people will be able to find an HMO that covers it, and only 15 percent have, 15 percent of the seniors as we have said are all that are in HMOs right now, let us provide it as a basic benefit under Medicare that anyone can sign up for.

Well, I will not get into the details, but that is essentially what the Democrats advocated. And what do we see on the other side? The Republicans say, no, we do not like Medicare, why in the world would we want to expand it to include prescription drugs? Instead of doing that, we recognize the fact that people below a certain income, seniors below a certain income need some sort of help; and so we will provide a subsidy or a voucher for them if they are below a certain income, and they can go out and either get an HMO to cover their prescription drugs with that voucher, or that subsidy, or they can find maybe some insurance company that will just cover prescription drugs.

Well, that is not the answer. It is not the answer for a number of reasons. First of all, because the majority of the seniors would not be covered. The seniors that complain to me about not being able to afford prescription drugs are not just the poorer ones, they are the average senior. They are everybody. Obviously, maybe the people that are above a certain income do not care, but I find that 90 percent of my seniors feel that they are having a problem paying for their prescription drugs. So the Republican bill does not even address the problem for the majority of the middle-class seniors.

In addition to that, I do not think the Republican proposal works. Again, it is primarily linked to HMOs, a person's ability to find an HMO that will cover them. We have already had experience with the HMOs, so many of which have dropped Medicare. Why should we believe this is the answer, particularly since only 15 percent of seniors are covered by an HMO? Or even worse, why should we believe if we give a voucher they will be able to find a company to cover just prescription drugs? I do not know any company that would do that. They might find one, but I feel confident it will be a pretty lousy policy, if they can even find it.

So Democrats are saying forget the ideology. Practically speaking, the only way we will get all the seniors, or most of the seniors being able to have a prescription drug program that covers most of their needs is if we put it under Medicare. Forget the ideology, forget liking or not liking Medicare, forget the fact that it is a government program. It works. This is the way to do it, and probably the only way to do it given the marketplace and what is out there.

Again, we tried to bring this up; but it was opposed by the Republican leadership. They did not want to bring it up. They brought up their own proposal, defeated ours, and even their proposal has not moved in the Senate and nothing has happened to it. So they are simply not addressing the issue at all. I suppose they would argue that this tax bill that I started talking about earlier this evening addresses it in some way by giving more money to the HMOs, but unless they guarantee the HMOs stay in Medicare and provide a prescription drug program at a certain level, I do not see how it helps. Practically speaking, I do not think it helps.

So there again, the second important health care issue that affects the average American has basically gone down in flames in this Congress. There are a couple of days left here, but the Republican leadership refuses to address it; yet they keep saying they care about the average person and they are going to do something to help.

Now, the last thing I wanted to discuss with regard to health care, and I have already touched upon it in the context of this tax bill that I talked about earlier, is the need to cover the uninsured, over 40 million. How do we do it?

Well, what the Democrats have been saying is that absent universal health care insurance, which some are for and some are against, I happen to be for it, but not everyone is even within the Democratic party; but absent universal health care, what can the government do to try to address the problems of these 40 million-plus Americans that have no health insurance? Well, when we break it down, we realize that the largest group that was not covered were children, and the second largest group that were not covered were the near elderly, people between 55 and 65 that are not yet eligible for Medicare but a lot of times find themselves, either because the working spouse died and the nonworking spouse, usually the wife, is not covered at that age, or because her husband died she does not have coverage, or in some cases a person got an early retirement and the early retirement did not cover their health benefits. Basically, they are waiting for Medicare to cover them at 65, but for those 10 years or so they are without health insurance, and they find it unaffordable to buy it in the private market.

So what the Democrats have been saying, what President Clinton and Vice President GORE have been saying, and we actually managed to get one part of this addressed on a bipartisan basis, is let us see what the government can do to cover these people in some way. A couple of years ago we got together with the Republicans, and again I will not give them too much credit because they fought this thing tooth and nail until the bitter end, when they finally agreed to it, but they finally agreed to the CHIP program to give money back to the States so that they could sign up kids below a certain income.

Now, I want everyone to understand that this is not welfare. These are not people that are not working. They are eligible for Medicaid and are already covered. These are working people who have children, but because the employer does not provide a health care benefit or because they cannot buy it privately, it is too expensive, they do not have coverage. So we put together this CHIP program, and we covered kids up to a certain percent of poverty. But again these are not kids in poverty. I am not sure what we would call them, perhaps lower middle class, working class parents.

I have to point out also that not only did we have initial opposition by the Republican leadership to this, but when it went back to States, and particularly to Texas in the case of Governor Bush, he tried to limit the program to, I think, 150 percent of poverty rather than 200 or 250 percent of poverty. But he eventually went along with it, with I guess the Democratic legislature insisting on the 200 percent, and it was passed.

What the Democrats have been saying, or Vice President GORE has been saying, is let us raise the level of that to 250 percent of poverty or even higher. That is not really poverty, that is an income of maybe $25,000 or something like that. But a lot of people that are making $25,000 or $30,000, or even $35,000, they cannot afford health insurance for their kids if they have to go out and buy it privately. So that is what we are proposing for the kids.

With regard to the near elderly, what we are saying is we will let them buy into Medicare and pay so much a month, maybe $300 or so a month, and they can get into Medicare by purchasing Medicare at the going rate of whatever it costs the government.

Then, as I mentioned before, the Vice President has also proposed, and I have

been in favor of the idea, of letting the parents of the kids who are in the Federal kids care program to sign up and be eligible for the kids care program as well. If we did all that, we would make a significant dent in that 40 million or so who do not have health insurance.

We could also link that to a tax deduction as well. We could also provide some sort of tax incentive or tax deduction to the employer to try to get more of them to provide health insurance for their employees, but it would have to be at a much larger amount than what Governor Bush and the Republicans have proposed.

These are the things that need to be done. Again, they are not being addressed here by the Republican leadership; and I just find it tragic that at a time when we have a surplus, and when we know that most of the American people would support these initiatives, that the Republican leadership refuses to go along with them.

I guess the last thing I want to do this evening, Mr. Speaker, is to point out that what I am proposing, what the Vice President has proposed, and what the Democrats have proposed, not so much based on any partisan ideology or any notion about Democrats being better than Republicans, but only because we have been out there and we have talked to people and we realize what can be done by the Federal Government in practical terms that would make a difference in people's lives.

I do not come down here to argue D versus R, or who is going to be President or anything like that. I really want to get things done that will help my constituents. Every one of the things I mentioned tonight is directly related to somebody or some group of people who have come to me personally and said this is what should be done. I would just give a few examples.

I can give an example of a woman who is a waitress in a restaurant in my hometown. When I am back in the district, I often go to lunch there. She came to me one day and said, I work in this luncheonette, and I have a very good relationship with the owner of the place. It is a small place. And I know the owner as well. He actually came over to me at one point and said that he really would like to provide health insurance, but given the way things are, he could not afford it. But I told her about the CHIP program and how we were trying to pass the CHIP program. I think she had a daughter. I am not certain exactly, but she hoped to get her child enrolled in the program.

When we finally did pass it and it became law and I made her aware of it, she went out and enrolled her in the program. She came back a couple of months later and told me that she had enrolled and she had the benefits. It gave me such a good feeling that I could come down here, and that we all can come here, and accomplish something. Of course, then she found out that the Vice President is now talking about letting the parents of these kids enroll in the same program, and she is hoping that we will be able to accomplish that as well.

Then I have another example, which I have mentioned a couple of times on the House floor, about HMO abuses. I have had so many people contact my office because they were denied care, they were thrown out of the hospital early, or they could not get a particular operation that they needed. I mentioned the example with the senior citizens that were, I say, lured into this diner one night for this lobster dinner.

What we have to keep in mind is that many of these seniors, before they were in HMOs, had pretty good coverage under traditional Medicare. The only reason they got into the HMO is they thought they would get a better deal. Sometimes they are not very sophisticated about what that deal is. They do not necessarily read the fine print in the contract when they sign up. And then they do sign up and find out that it is not what it is supposed to be, or they are told or they get a notice saying they are going to be thrown out of the program within 6 months, and they do not necessarily understand that they can go back to the old traditional fee-for-service program. It has to be explained to them, and a lot of times they do not even believe that.

So this disruption in their lives, going back and forth, and the idea that somehow they will be able to choose and they will be able to make decisions easily about which program is better, to some extent it is a hoax. I would like to believe that all seniors can make intelligent choices, and I am sure many can, but a lot of people, when they become older and frail, they do not have the ability to make those choices. So they buy into these ads, either on TV or on billboards or in the local media, that convinces them that somehow this is something better, and then they are shocked when they find out it is not better or they cannot even continue with it if it happens to be a good program.

□ 1715

So again, when I talked earlier about why we are giving so much money to the HMOs and not to the hospitals, well, I had a hospital close in my district. South Amboy Memorial Hospital closed in my district and cited the fact that they had inadequate Medicare payments.

So when I say we are giving money to HMOs when the hospitals need it, I am not talking pie in the sky. I am talking about a hospital that closed and was serving people and now people have to go farther away to an emergency room in another hospital.

I know we are at the end and there is probably not much that is going to be done. But even if the only thing that we can do is correct this tax bill that the Republicans have put forth by staying here a few more days and having the President threaten to veto, even if we can just accomplish that and the alternatives that we propose today, at least we will have accomplished something and I will feel that the last 2 years have not been in vain in this regard on so many of these important health care issues.

I am glad to see that one of my colleagues from the Democratic side is here. And, of course, the gentlewoman is the representative of the Virgin Islands and is a physician and has been very active on these issues.

Mr. Speaker, I yield to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Speaker, I just wanted to join the gentleman in the discussion for a moment about the HMO give-backs. Because I was in Milwaukee yesterday visiting a church and one of the parishioners, a Ms. Riley, and this was at Greater Galilee Church in Milwaukee, came up to make an announcement to the congregation and in that announcement she told them that, as Medicare beneficiaries, the HMOs in their area were doubling their premiums.

I thought that was outrageous. Because I thought here they are asking for 40 percent of the Medicare give-back and they are still gouging the seniors, at least in Milwaukee, and I am sure it is happening in other parts of the country, as well.

Mr. PALLONE. Mr. Speaker, reclaiming my time, this goes right to the heart of what I have been discussing and my colleague and others on the other side of the aisle have been discussing over the last 2 years and particularly in the context of this tax bill that the Republicans put up.

What we are saying, with the prescription drug issue in particular, is we would rather have the Medicare program cover it because then they have a guarantee, they know what the premium is, they know what the benefits are, they know what drugs they are going to get, they know what the co-payment is, all those things that provide stability and I think are important for seniors. Because they look for stability in particular.

What we have now is the system where they get a notice I guess 6 months before, at least they have 6 months before they are dropped or they are told that the premium is going to double or they have a higher co-payment and they just do not know from one day to the next where they are going to be with the HMO.

I mean, this is a good example of the problem.

Mrs. CHRISTENSEN. Mr. Speaker, if the gentleman would continue to yield, is it not true that where prescription drug coverage has been tried in some States that trying to do it through providing it through HMOs is not working and that is why the Democratic proposal and the Vice President's proposal to provide it through Medicare is a much better way, it assures the seniors that it will be there when they need it?

Mr. PALLONE. Absolutely. I have mentioned before a couple times on the floor, I have not mentioned it lately, that I think it was in March sometime in the spring of this year that the State of Nevada, under Republican controlled legislature and Republican governor, passed a State prescription drug benefit that was very similar to what Governor Bush and the Republicans here in the House have proposed, basically a subsidy below a certain income. I am not sure about the income aspect, but it was a subsidy in a voucher that let people go out and buy their own prescription drug insurance plan.

For the longest time, I mean at least until the end of the summer when we got back after Labor Day, there was not one insurance company in the State that would offer the benefit. And so, the seniors were going without.

Now, I was told a few weeks ago that now there is an insurance company that says that they are going to offer the benefit. But again, I wonder what kind of benefit it is going to be and how long they will stay in the program.

I get the impression, I think it is the ideology when I talk to so many people on the Republican side, not everybody but a lot of them, it is sort of this ideological thing that, we like the fact that we are going to give them the voucher and they are going to go out and shop around because it is sort of like a capitalist thing and, so, idealogically it is very good. But so what? It does not work. I am a capitalist, too. But what is the point if it does not work?

Mrs. CHRISTENSEN. Mr. Speaker, I think the point of the gentleman is that our seniors should not have to be made to shop around for prescription drug coverage.

I would like to talk about an issue that came up today. I have joined the gentleman on the floor, as he said, several times this week on health care issues and also on education issues by the way. But today I am asking for this time, and I appreciate the gentleman yielding to me, to express my great disappointment that S. 1880, which is the Minority Health and Health Disparities Research and Education Act of 2000, was not passed with the other suspension bills today.

But more than my disappointment, I am really disturbed by some of the race baiting, ultra conservative propaganda that is being used to distract Members from the important issue that this bill would begin to address and the important role that establishing such a center at the National Institutes of Health has, the role that it would have in eliminating disparities that all people of color and people in the low socioeconomic status suffer in this country.

I think that the gaps in health care that we experience in this country is an ugly blemish on the record of our Nation and that each and every Member of this Congress should want to remove it by remedying the years of neglect and in some cases the outright denial of health care to the citizens of color in this country.

The bill, S. 1880, is a key part to beginning this process. It was championed here by the gentleman from Illinois (Mr. JACKSON) the gentleman from Mississippi (Mr. THOMPSON) and the gentleman from Georgia (Mr. LEWIS) and in the Senate by Senator EDWARD KENNEDY. It has enjoyed wide support at the Department of Health and Human Services, particularly that of our Surgeon General, Dr. David Satcher and many in the wider health community, such as the National Medical Association and the Association of Minority Health Professions Schools under the leadership of Dr. Lewis Sullivan, who is the President of Morehouse School of Medicine and former Secretary of Health and Human Services himself.

We have also been really grateful, as we tried to work this through over the last 2 years, for the support of the now acting Director of NIH, Dr. Ruth Kirschstein.

If I might just point out one of the key provisions of S. 1880. It establishes a National Center on Minority Health and Health Disparities at the National Institutes of Health, which would conduct and support basic and clinical research, training, and the dissemination of health information with respect to the health of racial and ethnic minority groups, as well as other populations, who are suffering health disparities.

It authorizes the Director of the National Center, in collaboration with all of the other NIH institutes and centers, to establish a comprehensive plan and budget for the conduct and support of all of the minority health as well as other health disparities research activities at NIH. It establishes an extramural loan repayment program for minority health and health disparities researchers.

It authorizes the Agency for Health Care Research and Quality to conduct and support research to improve the quality of outcomes of health care services for health disparity populations. This research would focus on identifying the causes of health disparities, including barriers to health care access and environmental factors.

It also authorizes the Department of Health and Human Services Secretary, through the Health Resources and Services Administration and several other agencies, to support research and demonstration projects conducted by both public and nonprofit entities aimed at developing curricula to reduce disparities in health care outcomes, including curricula for cultural competency in graduate health professions education.

And lastly, it authorizes the Secretary to establish an advisory committee on cultural competency and health professions curricula development.

The bill is a good bill and it is an important bill. It is needed. Research plays an essential role in understanding the disparities and in uncovering the factors underlying them and developing the points of intervention and improved methods of treatment. Such research also provides the only means by which we can derive the knowledge necessary to prevent disease.

A few points of information that will help paint a clearer picture: The gaps between life expectancies for blacks and whites have widened in recent years. Although infant mortality in African-Americans has decreased somewhat, the disparity has increased. And the same pattern is seen in Native Americans and Alaskan Natives.

Under heart disease, the data indicates that the prevalence of cardiovascular disease is higher among African-Americans than among their white counterparts. Cardiovascular disease is nearly two times higher among African-American women than among their counterparts. And recent research has shown that African-American women of the same socioeconomic status and education level, with everything being equal, they are the least likely to receive the diagnostic tests and the treatment compared to other women.

In cancer, despite significant advances in the detection and treatment of several forms of cancer, the data continues to indicate that communities of color continue to suffer disproportionately in terms of occurrence, the lateness at which the cancer is discovered and death from cancer.

And AIDS we have talked about a lot. African-Americans comprise approximately 12 percent of the population, yet we are 37 percent of those diagnosed with AIDS since the beginning of the epidemic.

In 1998, the rate of reported number of new AIDS cases was eight times higher among African-Americans than among whites. And we could go on and on.

So I just wanted to say in closing that this bill was been worked on on a bipartisan basis in the committee. It went through the normal committee process before it was brought to the floor. It passed the Senate unanimously, which indicates that Members in the other body with widely disparate views supported this legislation. It was on the suspension calendar today. It was pulled.

I just want to ask my colleagues who are opposing the bill to take another look at it, work with us, withdraw their objection to the bill, and I ask the leadership of the House to work together to bring the bill back to the floor and have it pass before we leave to go home, if we ever leave to go home.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman for her remarks. I hesitate to put this in the context of everything else I have discussed tonight, but unfortunately it seems to fit the pattern where the Republican leadership does not want to

address so many of these health care issues.

But unlike with most of the things I discussed tonight that are probably too late, it is not too late for that of the gentlewoman. I hope we can get the leadership to bring it up on suspension.

Mrs. CHRISTENSEN. Mr. Speaker, and the leadership on both sides have been willing to work on bringing it back. There are some objections on the other side of the aisle and from some conservative groups in the country which have sent e-mail wrongly identifying the bill as a quota bill. It does not provide a quota for research. It does particularly state that minority research would be done because we are the ones who experience these disparities that must be eliminated. But it also does not exclude anyone. It is for any population group that experiences disparities and gaps in their health status and their access to health services.

Among those would be our rural citizens. People in the rural areas of this country are also suffering from disparities in health care regardless of their race or ethnicity. And so, we feel that the bill is important. I think to the extent that there are citizens in this country who still do not have access to health care who do not enjoy the same quality of life as others because of health disparities, the country's health in general suffers and I think it is something we need to address.

This bill, which has been worked on for many years, as I said, has been worked on on a bipartisan basis with the Department, the Congress, the White House, nonprofit national health organizations for years. Is a good bill and we would like to have it passed. It is past due.

Mr. PALLONE. Mr. Speaker, I agree with the gentlewoman. I am glad that she came down to voice her concern. As I said, although some of these larger issues probably cannot be addressed in the last few days that we are here, certainly her issue and I think the whole issue of changing the priorities in this tax bill so that we address the problems of the providers, the hospitals, the nursing homes, the home health agencies, and also trying to make sure that whatever money we give to the HMOs has some strings attached so that we know that they will stay in the Medicare system for our seniors.

□ 1730

These things still can be addressed. You and I will work together and keep speaking out to make sure that in the last few days they are addressed.

Mrs. CHRISTENSEN. I thank the gentleman for yielding on something that I feel is very important. I look forward to working with the gentleman on these health care issues and other health care issues.

Mr. PALLONE. Let me say, Mr. Speaker, that again I know we only have a few days left here; but we certainly, and I will speak for my Democratic colleagues in the leadership, are going to continue to push every day and every night both on the floor, during the legislative day and as well as during the Special Orders at night to make sure that these health care initiatives are addressed and that these concerns for the average American with regard to health care are met.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GIBBONS). The Chair would remind Members that it is not in order in debate to characterize Senate action or inaction.

MANAGED CARE REFORM

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

Mr. SHADEGG. Mr. Speaker, I appreciate this opportunity to address my colleagues and to talk about, in fact, the exact same subject that my colleague from the other side of the aisle, from the Democrat side of the aisle, just addressed. He talked about a wide range of medical issues. I am going to do that in this hour as well, but I am going to begin by focusing on the issue of patients' rights legislation, the issue of HMO reform, the issue of managed care reform. After I have spent some time on that and focused on why that issue is so critical and why I so strongly disagree with much of what was just said and how sad I think it is that this debate has boiled down to this struggle where one side is saying the other side is just carrying the water for a special interest, then I would like to turn perhaps in the latter half of the hour to the issue of the Medicare drug benefit and perhaps other topics that are worth talking about and that were raised in the remarks in that regard.

Again, I want to focus tonight on the issue of patients' rights legislation, the issue of a Patients' Bill of Rights, the critical question facing our country of managed care reform, HMO reform. We are in the midst as everyone knows of a political campaign. There are ads running across the country saying that it is sad that my party, so these ads say, has blocked, the Republican Party, has blocked the passage of patients' rights legislation. I simply want to start by saying that is not true. Indeed, the opposite is true. We have worked very hard to pass patients' rights legislation that will help patients. That is the key difference. Sometimes it is said that the devil is in the details and the devil is in the details.

In this case there are two competing ideas on patients' rights legislation: one is the idea advanced by Democrats, the idea which they are pushing, the idea which their ads talk about, the idea which the President is saying he supports; and that proposal sadly does not help patients. That proposal helps trial lawyers. Rather than just talk about that, I am tonight going to explain exactly, precisely, how their legislation would advance the cause of trial lawyers but do literally nothing to help and in fact hurt patients and weaken the position of doctors to control health care in America. I think that is the debate that needs to occur.

I think we need to understand why, yes, patients' rights legislation is vitally important for this country. There are serious problems in managed care. But how you enact that legislation, what it does, is so critically important and why, sadly, the bill that the Democrats are advancing, and they call it a patients' rights piece of legislation, in fact is fatally flawed in its structure, because instead of giving patients more power, instead of giving doctors the ability to set the standard of care and to decide how patients are treated in America, that legislation takes power away from HMOs, and that is good, but instead of giving that power and that authority to set the standard of care in America to doctors where it belongs and to patients where it belongs, their legislation gives that ability to trial lawyers to take the issue directly to court.

We have heard just a few minutes ago in the rather partisan remarks by my colleague from the Democrat side that the Republicans are for the special interest of HMOs and that Democrats are for the people. Sadly, that charge is just flat false. Let me start with my position. I have been passionately fighting for patients' rights legislation, the right patients' rights legislation, for the last 2 years. I have met with countless doctors from all over the country, many in my State, I cannot tell you how many, my own medical association in Arizona; and I have talked with them for hours and hours about how do we go about fixing the problem with managed care in America, how do we deal with the problems that have been created by managed care in America.

In every one of those conversations, I have never once heard, well, Congressman, the way to fix it is to let lawyers step into the middle of the process, take a claim by an injured patient, take my request as a doctor to get my patient care and have a lawyer step in and rush to court and file a lawsuit. Never has a doctor in America in my home State or anywhere else that I have met with said the answer to this problem is to let the trial lawyers address the issue. The reality is we do need patients' rights legislation to change managed care and to make it more pro-patient and more pro-doctor.

But we need legislation that will accomplish that goal, that will take power away from the managed care industry, to tell doctors how to treat their patients and move that power over to patients and doctors to determine what the standard of care ought to be in America.