

possible that this entire map can be colored solidly red with every child in America having access to additional funds generated through an education tax credit, and it will benefit all children.

Mr. HOEKSTRA. Mr. Speaker, this is what we are talking about, bringing a massive infusion of new money into education. This is nontax credit money going into education for a very specific purpose. If we do a tax credit, we will see an entire map being red and dollars going to help all of our kids at the local level to make sure that we do not leave a single child behind.

Mr. SCHAFFER. Mr. Speaker, it is an exciting proposal and it is one that is just a few weeks away from being introduced. We expect it on the floor sometime in June. We are very appreciative of the President's commitment, personal commitment and obligation to help us see this legislation passed; and we will talk about it more over the coming weeks.

Mr. Speaker, I appreciate the opportunity to be here this evening, and I thank the gentleman from Michigan (Mr. HOEKSTRA) for joining me.

#### COMMUNICATION FROM THE HONORABLE PORTER J. GOSS, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. GRUCCI) laid before the House the following communication from the Honorable PORTER J. GOSS, Member of Congress:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, May 6, 2002.

Hon. DENNIS J. HASTERT,  
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil subpoena for documents and testimony issued by the United States District Court for the District of Columbia.

After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

PORTER J. GOSS,  
Member of Congress.

#### COMMUNICATION FROM THE HONORABLE DAVID L. HOBSON, MEMBER OF CONGRESS

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HOUSE OF REPRESENTATIVES,  
Washington, DC, May 6, 2002.

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DAVID L. HOBSON,  
Member of Congress.

#### COMMUNICATION FROM THE HONORABLE NANCY L. JOHNSON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable NANCY L. JOHNSON, Member of Congress:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, May 6, 2002.

Hon. DENNIS J. HASTERT,  
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil subpoena for documents and testimony issued by the United States District Court for the District of Columbia.

After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

NANCY L. JOHNSON,  
Member of Congress.

#### MEDICARE PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I plan to spend most of the time discussing the need for a Medicare prescription drug benefit. I come to the well, to the floor this evening primarily because of my concern that the House Republican leadership is talking about, certainly presenting itself to the media, that they intend to bring up a prescription drug proposal at some point over the next couple of weeks. I am very concerned that their proposal is really nothing more than a sham and not something that is actually going to benefit any significant portion of the senior population.

I thought what I would do this evening is that I would start out by sort of outlining what I believe, and what Democrats as a whole in the House of Representatives feel we should be doing about prescription drugs.

First of all, I should say that the Democrats feel very strongly that the biggest problem with prescription drugs is the cost. The fact of the matter is that whether one is a senior, whether one is over 65 or whether one is under 65, it is getting to be more and more difficult to pay for one's medicine, because of the fact that the prices keep going up every year. Double-digit inflation, essentially, we have had with regard to prescription drug prices for the last 6 years. Every year, the cost

goes up by a double digit percentage point. Democrats are determined to address the cost issue and to say that whatever benefit package we arrive at has to address the issue of cost and try to bring prices down.

The other major issue for Democrats is that this plan, this prescription drug plan or legislative proposal has to be a Medicare proposal. In other words, right now we have a great program called Medicare that all seniors over 65 know that they are guaranteed certain benefits, whether it is a hospital stay or, if they are participating in part B of Medicare on a voluntary basis, their doctor bills are paid, and there is no question about what is covered essentially and is not covered, because there is a guaranteed benefit package for every senior, for everyone who is over 65 who is eligible for Medicare.

We insist that that be the case for the prescription drug proposal as well. This has to be a benefit that is added to the Medicare program and that every senior, just like with part B when seniors pay so much a month at a very minimum premium to cover their doctor bills, that they would pay so much per month at a very low premium to cover prescription drugs, and they would know that they would be able to guarantee that prescription drugs were paid for pursuant to Medicare as part of their program.

The other thing that we insist on is that this program be generous enough, in other words, that the Federal Government be paying enough of the cost of their prescription drugs so that it makes sense for one to voluntarily pay the monthly premium, like they do in part B for doctor bills. In other words, the benefit has to be significant. We have talked about as much as 80 percent of the cost. If we analogize what we have now for part B for doctor bills, what the Democrats are essentially saying is that we want a prescription drug benefit that is very similar to the Medicare structure for doctor bills, in other words, that there be a fairly low premium per month, that the deductible be as low as possible, something like what we have for part B to pay for doctor bills; that the amount that the Federal Government pays is significant, probably something like 80 percent with regard to part B to cover doctor bills; we pay a premium and when the bill comes in, the Federal Government pays 80 percent of the cost.

Well, that is the kind of generous benefit that we want to provide for prescription drugs, and that there be some point, we call it a catastrophic level, at which point if one paid so much out-of-pocket over the course of the year, that the Federal Government would cover the entire cost.

Now, let me contrast what I just said and what the Democrats would like to see with what we are hearing from the Republican leadership in the House. I want to stress that what we are hearing is not very good on any of these

points. About a week ago, the House Republicans rolled out some general principles about what their prescription drug program might be when they finally introduce it; and they said, they are trying to give the impression that it is going to be a Medicare benefit. They are trying to give the impression that it is going to lower costs. They are trying to give the impression that we are going to have the choice of basically all drugs that would be covered and that one can go to any pharmacy and it is just going to operate in a way that provides all kinds of choice. But the reality is very different.

Let me talk about some of those principles.

□ 1845

First of all, they talk about lowering cost, but they do not have any mechanism in their proposal that addresses cost. In other words, they are not saying that the Secretary, for example, is supposed to negotiate prices, or the Secretary of Health and Human Services is supposed to negotiate prices. They are simply talking about a discount drug card.

President Bush about a year ago said that he wanted the Federal Government and the Medicare program to promote the discount drug cards that some of the drug companies are now making available to seniors. Well, that is very nice. It is very nice that some of the drug companies are providing a discount drug card. I question how much savings there really are in those cards, but the reality is that that is not a Medicare program, that is not a Federal government drug benefit, to talk about someone going out and purchasing a discount card from the drug companies, when that is already available.

The Republicans cannot kid everyone and suggest to the American people that somehow that is going to address the cost issue. This is already available. They need to address the cost issue in the context of their legislation.

The other thing they are saying is that they are talking about this as if somehow it is going to cover everyone under Medicare, but if we look at what the Republican leadership in the House is proposing, it is not a Medicare benefit at all. In fact, what it is is giving money sort of like a voucher system to insurance companies, hoping that they will sell drug-only policies to a select group of senior citizens, probably only very low-income seniors, maybe less than 10 percent of the senior population.

So the Republican leadership in the House is not talking about what I mentioned before, an addition to the Medicare program that everyone is guaranteed that if they sign up and pay their premium they are going to get a guaranteed prescription drug benefit.

They are talking about something like a voucher, essentially a private program where some money would go

to insurance companies and people would go around and try to find an insurance company that would cover the prescription drugs, or perhaps an HMO. Because it is clear they are continuing to push HMOs and trying to get seniors to sign up for an HMO, and they hope that the HMO, with a little more money from the Federal Government, is going to provide prescription drugs.

That is not what Medicare is all about. Medicare is a guaranteed benefit. Medicare says that everyone is covered. What the Republican leadership in the House is suggesting is that this is only going to be available to very low-income seniors, those seniors who are not eligible for Medicaid but are maybe just above the Medicaid guidelines, maybe 6, 7, 8, 10 percent of the senior population that is not eligible for Medicaid and does not have any kind of drug coverage.

So I just want to debunk this myth, if you will, about what the Republicans are really about. They are saying that their program is going to strengthen Medicare, but it is not going to strengthen Medicare if now essentially what we are talking about is privatizing Medicare. It is not going to strengthen Medicare if only less than 10 percent of the senior population are going to be able to take advantage of this program.

I want to stop my comments now because I see some of my colleagues have joined me on the Democratic side. I would like to have them address this issue, and we will hopefully have a little debate back and forth, as well.

Mr. Speaker, I yield to the gentleman from the Virgin Islands (Mrs. CHRISTENSEN), who is part of our Health Care Task Force and is a physician, and is probably more qualified as a physician to talk about this issue than anyone else.

Mrs. CHRISTENSEN. Mr. Speaker, I thank the gentleman for yielding to me. I think our seniors are probably the most qualified to speak, and they have been speaking very loudly about this issue.

I want to thank the gentleman for tonight and all of the time laying out the issue so clearly, showing the difference between what the Democrats are offering and what the Republican plan does not offer. The vouchers that Republicans are proposing for education will not help our children any more than vouchers for prescription benefits will help our seniors.

I wanted to join the gentleman here tonight because I cannot understand, and I am sure that people out across America just have difficulty understanding, why we still have not passed the Medicare prescription drug benefit. I think maybe it could be just that I have not been a legislator long enough, I have just been one for 5½ years, having practiced up until my primary in 1996, and on a limited basis for maybe a year after that, and I am assuming it is because of that background why I do not understand why it is taking us so

long, why it is taking this body so long to respond to people who need help to buy the medication that they need, and who have been asking for this benefit for such a long time now.

Let me tell the Members about how we are trained as physicians. As physicians, we are trained in medical diagnoses. We are told to listen to our patients, to examine them, and then use our medical knowledge to make a diagnosis, and then to again call on that training to prescribe the most specific and targeted treatment to the problem.

That is the model I used for 21 years or more, really. I suspect that is why I just do not understand why we are having this problem here on Capitol Hill, because Congress would do well, I think, to apply some of those very same principles to every problem that we face in terms of legislating.

First, we should listen to our elderly constituents, as on every other issue. What we would hear is that they cannot afford to buy a full month's supply of medication that they need to control their blood pressure, their diabetes, any of the other diseases that need to be treated, or to ease pain, that would then allow them to live full lives and to attend to even some of the most basic activities of daily living. Without those medications, they might not be able to do that. That is listening to the patient.

Then we would examine. When we examine the issue, we would find that most Medicare patients are on fixed incomes, and therefore, they have to make untenable choices between food and other necessities and medication.

Just to use one example, a widow living on \$12,525 a year, and that is above the poverty level, I think it is about 150 percent of poverty level, a widow at that income level who has acid reflux, which causes acid and burning in the esophagus, discomfort, to treat that she would have to spend about \$1,455 a year. That is 12 percent of that widow's income on just one medication alone to treat one illness.

In making a diagnosis, then, we would conclude that the patient obviously needs help to pay for medications so she can stay healthy, free of symptoms, and to prevent complications.

Then, finally, in seeking a remedy, we would choose one easily accessible and widely available. We would also weigh the pros and cons of that remedy, as in the case of medicine we weigh the benefit and need and side effects. To me, that would lead us to concluding that the best way to address the issue of helping our seniors pay for their medication is through a Medicare drug benefit that is available to every beneficiary. It cannot be through an insurance company.

I know that is what the Republicans want to do is to have the vouchers, as the gentleman says, go to the HMO to provide the benefit. They do not want to provide a stand-alone benefit for prescriptions. It goes completely against their business model, and it

would result in lower profits. They just will not do it. It would be like sending my patient to a drugstore that I know does not carry the medication. They just would not get it there, like America's seniors will not get the benefit from the Republican prescription drug plan.

Now I know that there is a big battle also over the cost of the benefit provided by Medicare, but I think it is important for all of us to recognize that it is too costly for us not to do this, and in the not too far distant future. The cost of not providing this benefit, helping our seniors to be able to treat these very important illnesses that can cause damage to them in the future is just something that we just cannot afford to do.

When seniors, or any patient for that matter, cannot get the medications they need for some of the common diseases, they suffer amputations, they suffer heart disease, heart attacks, they suffer strokes, kidney failure, and become disabled. That costs far more than providing a Medicare drug benefit.

We need to do prevention. We need to put the investment up front to save money in the long run, but more importantly, I think we owe our seniors as they approach this time in their lives the ability to have a healthy, secure quality of life. We need to make sure that they are cared for. They have worked hard all of their lives and they have paid into a system that was to make health achievable, sustainable, and affordable.

We cannot forget about the disabled, who also need to benefit from this, because they also have multiple issues and needs for multiple medications that they would not be able to afford.

The system of Medicare began in a time when we did not have the medication we have now, and people did not live as long or as well. We know that we have to modernize all other systems. As times change, needs change. The ways we meet those needs are going to change. So why, then, are we balking at modernizing a Medicare system which is so vital to the well-being of our parents, our grandparents, and not too long from now for many of us. At least I can speak for myself.

So I wanted to say, Mr. Speaker, to our colleagues, that we need to pass a prescription drug benefit that is available to every Medicare beneficiary. That is the very least that we can do. It is certainly more important than providing tax cuts, and for this body to pit the chance for a better quality of life in what should be the golden years in the lives of elderly Americans against tax breaks that really help no one should not even be an issue.

So I would urge us all not to do the political thing but to do the right thing, and to give our senior citizens a full prescription benefit, the kind that they need and they deserve.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman. I just have to remark, when she talked about how

Members of Congress might have to worry about prescription drugs or the Medicare program and she said it was only herself, she did not look around at the rest of her colleagues, but we also need to be concerned about it, because it will impact us as well.

I just wanted to mention one thing before I yield to the gentlewoman from Florida. I appreciate the fact that the gentlewoman from the Virgin Islands brought up the preventative aspect, because many times we forget that prescription drugs or medication is really a preventative measure and that there are huge cost savings, as with any preventative type of program.

I think in general when we look at Medicare as a whole, we have paid too little attention to prevention, and whether it is home health care as opposed to having to be in a nursing home, or prescription drugs.

Mrs. CHRISTENSEN. Just take hypertension and diabetes. This is something that affects all Americans, but it affects African Americans more so because we have more difficulty accessing care and medication.

If we just take hypertension or diabetes, either one, and the complication of end-stage renal disease, and having to then go on dialysis or having a kidney transplant, the cost of providing that benefit and controlling the blood pressure or controlling the diabetes, and at the very least, forestalling that complication, but probably avoiding that complication altogether is really important, we just cannot compare not only the cost of the two, but we cannot compare the quality of life of the two.

Mr. PALLONE. And the bottom line is, I guess being a little crass talking about the money aspect, is that the Federal Government is paying. With the way the system is set up, the Federal Government is paying for hospital care and paying for a lot of the things.

Mrs. CHRISTENSEN. They have to pay for dialysis three times a week.

Mr. PALLONE. And instead, overall, the cost of paying for the prescription drugs is actually going to save the Federal Government a lot of money. Our problem is that when we make that case, we are not necessarily able to give an exact dollar figure. That makes it more difficult to make the case.

But there is no question in my mind that there are tremendous cost savings to the Federal Government if we include a prescription drug benefit.

Mrs. CHRISTENSEN. I think it is common sense. I do not think we really have to provide specific numbers. I guess someone could probably do that for us, but it is just common sense, with years of dialysis and many hospitalizations in between, because dialysis is not easy to go through, versus providing medication that can control the problem.

Those of us who practice know how hard it is to make sure your patient has a month's supply of all of the medication they need. We try to piece samples together and do all kinds of cre-

ative things, even with medicines that are not extremely expensive, but it is just not possible to do that in the long run.

Mr. PALLONE. It is just so important in the course of the debate on this, if we get to it in the next week or two, that we stress that, that the preventative aspect of prescription drugs means cost savings. There will be some people who will say that the guaranteed benefit under Medicare that covers all seniors is going to be too expensive, and we need to come back and say you are going to save money.

Mrs. CHRISTENSEN. The HMOs are not going to provide that type of benefit. They have pretty much said that. So as the gentleman has pointed out and others have pointed out, to provide it as sort of a program that has to be accessible, like access to HMOs, one has to shop around and get it. Many seniors cannot even do that. Some can, thank God, but not everyone can. But to have to go and search, and then an HMO does not offer it, or does not provide that many benefits. So the only way to do it is the way the Democrats want to do it, and that is through a full Medicare benefit. It is voluntary, but it is universal. It is available to everyone on Medicare.

□ 1900

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN) who is, of course, on the Committee on Ways and Means and has been a leading spokesman on the needs for prescription drugs benefit.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for taking the time to organize this and bringing us together. His commitment to this is very important. I just want to give you some of those numbers that we were just talking about, particularly with end stage renal disease, because I know those numbers, and I can tell you that for somebody to be on dialysis, it is about \$45,000 a year that Medicare generally pays for. And then at some point, hopefully, there would be the possibility of having a transplant.

First of all, being on a list probably is anywhere between 3 to 5 years, so we have now spent several hundreds of thousands of dollars doing the dialysis part of it. Probably another hundred to \$150,000 for the transplant. And then after that, because we passed something in the Congress a couple of years ago that actually extended some drug benefits for immuno-suppressant drugs, which is something you have to have once you have had a transplant or your body will reject it. So the fact of the matter is, and that is about \$1,500 a month, so you start off with the 45,000 in dialysis, you potentially go to 100, 150 a year and probably 3, 4, 5 years, and then once you are through that, you are probably about \$1,500 a month for maintenance of the organ so that your body does not reject it, and that is only \$11,000.

So once again we continue to go back to the idea of, first of all, if they had the medicine available to them for the blood pressure, that would probably help them or at least extend the lifetime of their kidneys. You would not be looking at the long time for dialysis. But once you have to go through that, even on the other side of it, it is still better in the final analysis to look at the \$1,500 that you would be using for immuno-suppressant drugs.

I guess, the gentleman from New Jersey (Mr. PALLONE), one of the things that has me concerned is that we understand that there potentially will be a bill brought to the floor of the House, which is a good thing, that might give us the opportunity to debate the issue on prescription drugs. I have some concerns because we are hearing rumors up here that the legislation may never even come through committee, that it is going to be a major Medicare reform bill with a prescription drug benefit that will have had no ability to look at the consequence with the committee process which, when we are talking about this as to which is better, what could be better offering amendments, giving that opportunity, making sure that it either goes through the Committee on Ways and Means and/or through the Committee on Commerce is a very important part of this process. Because the other part that will happen is that what we have seen in the past with the Medicare bills, we have not even had an opportunity to offer amendments. And if I remember correctly, and the gentleman may help me, I do not even know that we were offered a substitute.

Mr. PALLONE. Reclaiming my time to respond, I think the gentlewoman makes a very good point. I started out this evening by saying that the Republicans are talking about bringing a bill which they have not really outlined. They have just given vague ideas of what it might be.

Mrs. THURMAN. They have a bill.

Mr. PALLONE. But they are not sure they want to move it or what to do with it.

Mrs. THURMAN. Right.

Mr. PALLONE. What I think is happening and what we were hearing last week, they had a press conference last week and they outlined these broad principles which I pointed out earlier are all essentially a sham. They talked about that this will be a Medicare benefit, but it is not guaranteed to all Medicare beneficiaries, so how is it a Medicare benefit? But what we are hearing is they were supposed to bring it directly to markup in the two committees, the Committee on Energy and Commerce and the Committee on Ways and Means next week, and then to the floor before the Memorial Day recess.

And what you are pointing out, and this is absolutely right, this is probably the most important piece of legislation to deal with in this Congress. The normal process is to have one day of hearings, usually like months of

hearing, and then have a markup and allow amendments and then go to the floor. I think what you are saying is they may not do any of that, they may bring it directly to the floor.

I think just a couple of days ago, I think Monday in the Congress Daily, they pointed out that the headline said "GOP Drug Plan Faces Intra-Party Critics." The problem is that a lot of Republicans who are more reasonable and are really concerned about what this is going to mean have been suggesting to them that, A, that this prescription drug plan is not going to help that many seniors or that, B, the Medicare reform is really cutting back on payments for hospitals or others that have a great need.

Mrs. THURMAN. Nurses.

Mr. PALLONE. The gentlewoman is right. They may not be able to muster the votes in committee and they may just take it directly to the floor, which is a huge travesty because there will be no debate other than on the floor, which is not the way it is supposed to be.

Mrs. THURMAN. And that is a concern because there needs to be a debate. We need to understand the cost. We need to understand the consequence of whatever we bring to the floor. We need to understand if there is a market product out there for us. I mean, one of the problems that we have heard over and over again is if you turn this over to private insurance that there may not even be a tier. It may be, oh, well, here we go. We have got a prescription drug plan, but it is probably not going to start until a little bit later. And by the time people figure it out, the fact of the matter is there may not be an insurance company that is willing to provide that service without having other areas.

They talk about the Federal health plan. Well, the difference is that is a whole package. We get young, we get middle, and we get older. We get new Federal employees. We get retired Federal employees. And the idea is that you spread it. You have a spread over this and that is not what is going to happen in a Medicare or what may be considered in a private insurance. You are going to have one group of folks who are, by the way, in most cases, the seniors with the least ability to pay, which is a fine goal, but they are also sometimes the sickest because they have not had the advantages, as the doctor was pointing out, of being able to have taken care of health care. So their medicines, probably because they have more complicated cases, are going to be more expensive. And so when you start trying to use a voucher in a system where you have very sick and not a cross risk, it is going to be very expensive for an insurance company or anybody to go in and try to negotiate for this particular group of seniors.

Mr. PALLONE. Reclaiming my time, I think the gentlewoman is absolutely right. If you remember, two years ago, again, close to the election when the

Republican leadership tried to bring up a bill, and that is what it basically was, that we are going to give money to insurance companies and hope that they will cover prescription drugs and you can shop around and see if they will cover you. That only passed the House and it died. But it was based at the time on a model that was used in the State of Nevada, and Nevada, which had a Republican legislature and I think a Republican governor, decided to go this route. And for 6 months after the governor signed it, they could not find any insurance company that would cover anybody. So 6 months from the day it was in effect, there was nothing out there for people to buy. And then they think what they did is they tried to get one company to cover it and even then they could not get anybody. So the whole thing is a huge mess and not working.

Mrs. THURMAN. And we could say the gentlewoman from Nevada (Ms. BERKLEY) has given us a wonderful opportunity to understand what happened in Nevada. And it would seem to me that it would be something this Congress ought to be looking at where the pitfalls were what happened. I mean, correcting and not trying to pass a model that has already failed in one State.

Mr. PALLONE. Mr. Speaker, I think they have made certain changes, and I do not know what the status is now. But the one thing I was going to say is that part of this is just sort of an ideological problem that the Republican leadership has. In other words, they did not like Medicare. Most of the Republicans voted against Medicare in the 1960s or whenever it started. And it was for ideological reasons because it was a government-run program. And I think that is what you are getting.

The Republican leadership just cannot accept the fact that Medicare works and we should add this benefit. They think it is too much government interference, so they are trying to send it out to the private sector from an ideological perspective.

The gentlewoman was pointing out, and everybody is pointing out, let us look at this practically. Let us not say this is left wing or right wing or whatever it is. Medicare works. This is not going to work, what they are proposing.

Mr. Speaker, I yield to the gentlewoman.

Mrs. THURMAN. And I think there were some issues out here also that are very alarming and very concerning and certainly ones that, I think, based on the constituency in the Fifth District in talking with them, that they were seeing high increases in their prescription drugs today. I mean, we know for a fact that they grew almost by 17 percent this year. We are not seeing anything in this piece of legislation that speaks to the high cost of prescription drugs. And so they understand that because they have constantly, and it is

not just in the Fifth District of Florida. I mean, they get this. They understand that they are paying way more than other countries, Canada, the borders of Canada, we know what is happening over there. We know the busloads of people that are going to Canada to pick up their prescription drugs. We know they are out on the Internet to the Canadian Drug Store I think is the name of the sites. Mexico, people are sending overseas for these medicines, not because they do not want to be able to purchase them here, but when they are taking two or three medicines and they are costing 3 to \$400 with one supply being 150 and another being 200 and another maybe 50, they cannot afford it. And they understand that they feel better on an everyday basis when they have that medicine being taken as the doctor has prescribed it, and they understand that they are not having complications with their health when they are able to take this. But at some point they just say I cannot do this. I cannot afford to continue to do this.

The gentleman and I have talked about this a thousand times, the amount of people that come into our offices, and they talk about cutting their pills in half, they talk about taking them one every three days or one every two days as versus every day, or they may take one a day instead of three a day just for that. But then you also hear, because it is sometimes just not one person in that family that is on medications, it is two.

I actually get stories, I had a daughter write to me about her parents, telling me how important having a Medicare prescription drug benefit was. She was watching her mother not get her medicines to make sure that her husband, the daughter's father, who had more complications, had his medicines so she could keep him alive. I mean, that was the sacrifice that she was making in her mind that was important. To the daughter it was a travesty. She was watching her parents literally have to choose, one being just able to sustain their lives because of medicines because they could not afford it all, or to choose that one could not have that same advantage. And I am not seeing anything in any of these pieces of legislation. In fact, quite the contrary in some ways. We are not seeing the ability for any concerns about the rising cost.

Now, in saying that, let me also suggest for a moment that this is not just Medicare at this point. The rising cost issue is a family issue. It is a business issue. We have corporate citizens in this country that are trying their level best to provide health care benefits to their employees. They want to do it. They think it is the right thing.

□ 1915

Two things are happening. GM came in the other day to testify before the committee. They said that their Medicare or their prescription drug bill

went up \$508 million last year. How do they continue to offer good benefits with a prescription drug without cutting other benefits in their plan so that they can continue to offer a prescription drug?

Well, one of the pharmaceutical companies was there and said, well, there are ways to do that. They can negotiate, they can look at utilization, they can provide copayments, they can do different things. And when we asked GM what they were doing, they said, We are already doing those things. We are doing the things that we feel are what they have told us would be good business practices.

Well, there really was not an answer to the question then to the company when we said, so, if they are doing all of these things, then what is the answer? They had no answer, and so there are issues out there.

AARP just did an article a couple of months ago talking about the costs, what was included in this cost. It was the advertising, and I would maybe not even call it advertising, but a marketing tool, that they called research. It is called research but it is research marketing, marketing research. So they know what they can sell to, what they can do; and so they use that as kind of their shield.

What were the numbers we heard? I do not know if my colleague heard, it is about, what, Pepsi-Cola versus, I guess I do not know if I can talk about brand names, but the idea is that there are companies that are spending 10, \$20 million less in a year than one company maybe on a couple of different medicines.

Mr. PALLONE. Mr. Speaker, reclaiming my time, this came up in the other body, I cannot mention the name of the other body, other side of the Capitol and the point was, as my colleague knows, is the drug companies, the brand-name drug companies always say that they need to charge more because of research and development, when in reality what we know is a lot of the extra cost is just for advertising so that they can advertise the name-brand drug rather than the generic drug; and one of the ways that they could reduce costs is if they tried to encourage more use of generics, obviously; or I think in the Senate there was a proposal, which I think is a great idea, to say that that someone cannot take a tax deduction for advertising. In other words, someone can take a tax deduction for money they expend on research and development, but not for advertising.

We, essentially, through the Tax Code, I am talking to a Ways and Means member now so I want to be careful here, but essentially encourage through the Tax Code that they advertise as much as they like because they get some sort of credit or deduction for it. I do not know exactly how it works.

I wanted to say, if I could, to comment on what the gentlewoman talked about when she talked about the costs

and the pricing because I started out tonight saying that the biggest sort of sham out here is that when the President about a year ago talked about promoting the discount card, which a lot of the drug companies are now offering, he talked about that as sort of an interim measure. In other words, we have not got a prescription drug program now, so until we do, until Congress passes it, let us promote this discount card because at least there will be some savings, which I questioned, but in case it is not the government helping in any way, this is what the drug companies are doing.

Now, when the Republicans unveiled their sort of principles last week, the card became their cost-containment mechanism, which is ridiculous because the government is not doing anything; and then as my colleague says, the Republicans act as if there is no way they can influence the price. That is nonsense.

If we set up the guaranteed benefit under Medicare, we now have 40 million seniors, and the Secretary of Health and Human Services has an incredible bargaining, negotiating ability because he represents those 40 million seniors, and he can certainly take actions that would result in lower prices.

Mrs. THURMAN. That is exactly right, and this is not a model that quite frankly is obscure in this government. It is going on.

We are seeing it within the VA system. The VA system, in fact, does just that. They negotiate for military retirees and veterans for the purposes of buying medicines. We do it. We already do it, and it works; and because of it, we have been able to really expand. And for military retirees, they now have a prescription drug benefit that costs them \$3 for a generic, \$9 for a brand name a month or they can do a mail order, which would be for a 3-month period, \$3 for generic and \$9 for brand name over a 3-month period.

So there are very good things going on and standards that have already been set by the Federal Government for some parts. Then if we thought about it, if then we are negotiating for, I think it is, something like 22, 25 million veterans, plus 40 million Medicare, we now have a very good possibility of looking at some things that could happen or we can do, I think, what the gentleman from Maine (Mr. ALLEN) has talked about, certainly looking at what the costs are in other countries, and at least making it so those costs were no different here than they were there, whether it be Canada, Mexico, UK, whatever, having that a possibility out there.

There are just things, but it kind of goes back to what we talked about. We are not having a debate. I think what is so frustrating about this is everyone in this House, to my knowledge, probably went home and talked about a prescription drug benefit in the last campaign. They said this is something that was needed. So we can have the

debate with our constituents at home as to what is good and right and the kinds of ideas.

Our constituents have so much to offer us in this debate. Then why can we not have a real debate in the Congress?

It may not be that we are so far apart in some of these ideas. The first premise is we agree that there should be a prescription drug benefit. It is how we get into the details of it.

So why can we not sit down and get out ideas of how things should be one way or another? Throw everything on the table, set it down, come in, see what is working, looking at what is happening in other parts of government, where we are successful; where we are successful in the private sector; where we are successful with Federal employees; where are we doing the right things; where are the areas that are not successful. Look at those. What is happening? Go in and talk to some of these corporations that are trying to negotiate and are trying to do the right things to make sure that they have a prescription drug benefit for their employees.

They are experiencing right now what we need to be addressing, and I am just very frustrated that we may not even have the opportunity to have this debate, that it may be we come out here, no work in the committee. We come down to the floor, we have an hour debate on the rule and an hour debate on the bill, maybe 2 hours, that is a Medicare bill, that quite frankly will probably talk about prescription drugs. We will not even get the opportunity to really talk about what potentially happens at nursing homes, what kind of cuts are happening with hospitals, if there is going to be some kind of a co-payment for home health care. We are going to hear prescription drugs, and we are not even going to give a full debate and disclosure of what is going to be in other parts of this piece of legislation.

These are critical issues that are devastating and potentially could be devastating to the infrastructure of our seniors in this country. They deserve a strong and lively debate and being able to point out where we think there are pitfalls, where the issues are; and we ought to be able to have that opportunity.

Mr. PALLONE. I agree, and I am very fearful about what the gentleman says, which is that essentially with what the Republican leadership is doing here, they just want to bring up a bill so they can say they passed something, send it over to the other body and have it die.

Mrs. THURMAN. Just to say that the Senate has it.

Mr. PALLONE. I think that is what we are headed for. Hopefully, we are wrong and maybe we are too cynical and we can be optimistic. I have the same fear my colleague does.

Mrs. THURMAN. Mr. Speaker, the only thing I would say then is maybe

us being here tonight and talking about this issue, maybe it will give some pause; and maybe we will have the opportunity to have that debate.

Mr. PALLONE. I hope so. I am eternally the optimist, as I know my colleague is, too.

Let me yield to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Mr. Speaker, I first thank both of my colleagues for giving me the opportunity to speak on what I believe is one of the most important issues facing our Nation today. The time has certainly come for us to implement a real prescription drug plan for seniors.

Let me talk a little bit about, on a personal note, a couple I know and their experience. John and Ann Craig are residents of a little town called Muddy, Illinois, just a neighboring town out of my hometown in southern Illinois, Eldorado. The Craigs suffer from a combination of diseases, including diabetes, heart disease, and high blood pressure. His medication runs around \$450 each month. They pay a total of \$1,300 a month for prescription drugs and receive a mere \$700 in Social Security.

The Craigs own a small farm where they have worked hard most of their lives. However, their overwhelming pharmacy bills have effectively ruined any chance of worry-free retirement because most of their savings has already been used on medication. This is just one example of the unnecessary hardships our citizens are facing due to overpriced prescription drugs.

There are many examples of other senior citizens I can give my colleague.

The issue of an affordable prescription drug plan for seniors is not just going to go away, and folks like John and Ann Craig are going to continue to spend their life savings on medication. Our citizens are depending on us to work together to come up with a plan that will bring them prescription drugs at a price they can afford and a price that does not take a large chunk out of their monthly budget that would normally be spent on food and other necessities.

So we need a plan that is fairly easy and will benefit all seniors. Our Nation's seniors have enough to worry about without having to figure out where they fit into a complicated prescription drug plan.

We have a moral and ethical responsibility to look out for our seniors, and we must implement a plan that will benefit each and every senior that is paying ridiculous prices for their necessary medications. It is time that we get together and work on a plan that is reasonable and a bipartisan approach. Stop pointing fingers and let us try to get it down to what is real for Americans like John and Ann Craig.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Illinois for joining us. I know we only have a few minutes left.

I just wanted to, in ending this Special Order tonight, if I could just de-

velop a little bit one of the points that he made.

Part of the reason why the Democratic proposal and what the Democrats have been talking about tonight is so much better than what the Republicans have been proposing is because of its simplicity. We know that right now under the existing Medicare program it is very easy for the average senior to sign up, be part of the program and benefit from the program.

All seniors and even the disabled who are under 65 that are eligible for Medicare know that their hospitalization is covered. They know that if they pay a premium, I think it is about \$40 a month for part B to cover their doctor bills, that they will have a guaranteed benefit and that the Federal Government will pay 80 percent of the cost of their doctor bills, and that if they are in a traditional fee-for-service plan, rather than an HMO, which most seniors are still in the traditional Medicare fee-for-service program, that they can go to any doctor, they can go to any hospital and Medicare is going to cover it.

What we are saying as Democrats is we want to build on that very successful Medicare model which is very easy for seniors to understand and take advantage of and say if someone pays a premium of say 25, \$30 a month for their prescription drugs, then they will be guaranteed a generous portion of that; say, maybe 80 percent or so is going to be covered by the Federal Government.

□ 1930

And that after your first \$100 deductible you can be guaranteed that your prescription drugs are going to be paid for in that way. Very simple model. It is the existing Medicare program; builds on it. Forget the ideology, just do it. That is what the Democrats are saying. Do it for every senior; everyone who is eligible for Medicare.

Now, my colleague from Illinois said, well, the seniors are concerned about not wanting to have to do some complicated plan. Well, that is what the Republicans are saying. They are saying forget the Medicare model, we are going to throw some money somehow to some insurance companies and we are hoping that the insurance companies will provide some sort of benefit, but we are not guaranteeing they are going to cover all drugs or any particular kinds of drugs. We are not guaranteeing there will be any kind of particular premium structure or what the level of the Federal Government's contribution is going to be.

And the seniors are supposed to shop around. These seniors, who are now 70, 80 years old, and they are supposed to shop around to see if there is some kind of insurance program that they can get. Now, I know some seniors are going to be able to do that, but I would say there are a lot that are not going to be able to, and are going to find when they are shopping that they do not find a plan that is even available.

I know my Republican colleagues will say, well, they can always go to an HMO. But remember that HMOs increasingly are not available in a lot of parts of the country, and more and more HMOs are dropping seniors and do not want to offer to senior citizens. So the complication that my colleague from Illinois talks about for seniors, that complication is multiplied so much by what the Republicans seem to be proposing.

And the real answer is to go back to the very simple program, the model that we have now that has worked so successfully for the last 30 years, and that is Medicare. That is all that the Democrats are asking for. And, hopefully, if this does come up in the next week or two, we can make that point about why a guaranteed Medicare plan is so superior to whatever proposal the Republican leadership is bringing up.

I guess I would just conclude by saying as much as I do not like to be cynical, I believe that the Republican proposal really is nothing more than an effort to show that they are doing something and that they fully understand that their proposal is not going to go anywhere and will never be enacted into law. So that is a shame, too, to think they are being very cynical and bringing this up as we get close to the election, rather than trying to put something together on a bipartisan basis that actually can be signed into law.

#### RECESS

The SPEAKER pro tempore (Mr. GRUCCI). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 33 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1133

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HASTINGS of Washington) at 11 o'clock and 33 minutes p.m.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4546, BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 107-450) on the resolution (H. Res. 415) providing for consideration of the bill (H.R. 4546) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for fiscal year 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON of Indiana (at the request of Mr. GEPHARDT) for today before 1:30 p.m. on account of official business in the district.

Mr. HALL of Ohio (at the request of Mr. GEPHARDT) for today on account of attending ambassador school.

#### 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. McNULTY) to revise and extend their remarks and include extraneous material:

Ms. NORTON, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

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

Mr. HOYER, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

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

Mr. WOLF, for 5 minutes, today.

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

Mrs. JONES of Ohio, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. STRICKLAND, 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. 410. An act to amend the Violence Against Women Act of 2000 by expanding the legal assistance for victims of violence grant program to include legal assistance for victims of dating violence; to the Committee on Judiciary.

#### ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2048. An act to require a report on the operations of the State Justice Institute.

H.R. 2305. An act to authorize certain federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

H.R. 3525. An act to enhance the border security of the United States, and for other purposes.

#### BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on May 7, 2002 he presented to the President of the United States, for his approval, the following bills.

H.R. 169. To require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws; to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 495. To designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building".

H.R. 819. To designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building".

H.R. 3093. To designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse".

H.R. 3282. To designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse".

#### ADJOURNMENT

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

The motion was agreed to; accordingly (at 11 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 9, 2002, at 9 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6676. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Acquisition of Commercial Items [DFARS Case 95-D712] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

6677. A letter from the Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Strengthening the Title I Property Improvement and Manufactured Home Loan Insurance Programs and Title I Lender/Title II Mortgagee Approval Requirements [Docket No. FR-4246-F-02] (RIN: 2502-AG95) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6678. A letter from the Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Real Estate Settlement Procedure Act Statement of Policy 2001-1: Clarification of Statement of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, and Guidance Concerning Unearned Fees Under Section 8(b) [Docket No. FR-4714-N-01] (RIN: 2502-AH74) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6679. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting