REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3389, NATIONAL SEA GRANT COLLEGE PROGRAM ACT AMENDMENTS OF 2002

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 107–514) on the resolution (H. Res. 446) providing for consideration of the bill (H.R. 3389) to reauthorize the National Sea Grant College Program Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1979, SMALL AIRPORT SAFETY, SECURITY, AND AIR SERVICE IMPROVEMENT ACT OF 2002

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 107–515) on the resolution (H. Res. 447) providing for consideration of the bill (H.R. 1979) to amend title 49, United States Code, to provide assistance for the construction of certain air traffic control towers, which was referred to the House Calendar and ordered to be printed.

PRESCRIPTION DRUG COVERAGE

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Under the Speaker's announced policy of January 3, 2001, the gentleman from Kentucky (Mr. FLETCHER) is recognized for 60 minutes as the designee of the majority leader.

Mr. FLETCHER. Mr. Speaker, as we speak tonight, there is a committee marking up the prescription drug bill which will provide prescription drug coverage for all seniors in this country. I believe it is one of the most pressing issues in health care that we face today, and so I am glad that we are going to spend this next hour talking about the House prescription drug plan; and I thank the gentleman from Louisiana (Chairman TAUZIN), and the gentleman from Florida (Mr. BILIRAKIS), the chairman of the subcommittee, for their leadership in bringing this bill to the floor and making sure that we have a plan that is reasonable, doable, and will provide immediate relief for seniors.

I am accompanied by some of my colleagues today, and at this time I yield to the gentleman from Kentucky (Mr. WHITFIELD). I know this has been an important issue that the gentleman has worked on.

Mr. WHITFIELD. Mr. Speaker, prescription drugs for seniors on Medicare, this is an issue which has been before the Congress for quite some time. There has been a discussion about it for a number of years. If Members will recall, last year for the first time the House of Representatives under our leadership did pass a meaningful prescription drug benefit for senior citizens throughout the country. We all know how difficult it is for some of these seniors to pay for the prescription drugs that they have been prescribed for their particular condition.

One of the disappointing things about last year was that although the House passed a meaningful prescription drug benefit, the Senate did not pass one. So we found ourselves back this year at the same place that we started last year. So we made it very clear on the Republican side of the aisle that we were committed to a meaningful prescription drug benefit for senior citizens that would not bankrupt the country. Because, obviously, we can spend a trillion dollars over 10 years, or $2 trillion over 10 years, but that certainly would not be fair to the young men and women who are out working today with children.

Their employer does not provide health insurance for them, and they have made too much money for Medicaid to provide their health coverage, and they are not old enough for Medicare and yet they are paying taxes that go for the Medicare beneficiary and the Medicaid beneficiary. We tried to be reasonable about this to get a prescription drug benefit on the books to get started in a meaningful way, and our proposal will spend $350 billion over 10 years. I have a chart here that shows the House Republican principles on this issue.

One, we obviously want to strengthen Medicare, and we are committed to a prescription drug benefit.

Two, we want to lower the cost of prescription drugs now. We want to guarantee that for all seniors, prescription drug coverage will be covered under Medicare.

We want to improve Medicare with more choices and savings, and obviously we want to strengthen Medicare for the long-term future.

The other side of the aisle has made a lot of arguments that we are not spending enough money on prescription drugs. As I stated earlier, many of us agree with that. But when we have a Nation at war against terrorism, when we are just coming out of a recession, it is important that we get this on the books and that we be reasonable in our approach; and I think that is precisely what we are doing.

But yet I want to make it very clear because the other side of the aisle has indicated that this is not a meaningful prescription drug benefit program, which I would disagree with. But if, for example, you are a single person on Medicare today under our bill, if your salary is $13,000 and below, then all of your prescription drugs will be paid for by the Federal Government. If you are a married couple and your joint income is $17,910 or less, then all of your prescription drugs will be paid for by the Federal Government.

□ 1715

And if you are married and you are making about $21,000 a year, under our proposal even some of that will be subsidized for you in addition to the other benefits that will be there for you.

So I am quite excited that tomorrow the Committee on Energy and Commerce will begin marking up this important legislation to provide finally prescription drugs for our senior citizens. My only hope is, and I am convinced, by the way, that the House of Representatives will pass it again, and my only hope is that the U.S. Senate will step up to the plate and not make this a political issue just because we are approaching an election but will step up to the plate and enter into meaningful dialogue so that they too will pass a prescription drug benefit that we can send to the President; and I know that President Bush has indicated time and time again that he will sign the legislation.

I think tomorrow is a big day for senior citizens throughout the country and for all of us who have parents and aunts and uncles who need this benefit, because, as I said, we will begin marking this up tomorrow and I think within 3 days it will be coming out of our committee and then hopefully going to the floor. I appreciate very much the gentleman yielding to me this evening. I look forward to working with him tomorrow and the next 2 to 3 days as we try to finish this matter up.

Mr. FLETCHER. I thank the gentleman from Kentucky for coming and joining us tonight. You were talking about the Democrats and some people talking about this is not a big enough plan, but it is interesting when we look to just a year ago, there was an amendment offered by the gentleman from South Carolina (Mr. SPRATT), a Democrat, that set aside only $303 billion and we have a list, and I think this is virtually every Democrat, voted for that. Yet now 1 year later, in a political year, in an election year, we have a political statement that it is not enough, even though we increased it from $303 billion in our budget, set aside for prescription drugs and enhancing and improving Medicare, to $350 billion. All of a sudden in an election year we hear this demagoguery, it is not enough. I really appreciate what you have said on that.

Mr. WHITFIELD. If I may make an additional comment. You are exactly correct. We are being challenged, also, of trying to raid the Social Security trust fund to pay for this. I would point out that between 1936 when Social Security started and 1995, a period that was controlled by Democrats except for about 4 years, they spent over $800 billion from the Social Security trust fund; and no one raised questions about it, no one objected about it; and not until 1994 when the leadership of this House changed were we able to start reversing that.

One other comment that I would make is that the U.S. Senate, I am sure of what they are going to do is they are going to put out a prescription drug plan that may be in the trillions of dollars, who knows what it will be, which

is very easy for them because they did not pass a budget on their side of the aisle. And so they are not bound by any constraints whatsoever. So for them to criticize us about spending too much money and bankrupting Social Security, which is a false allegation, they do not even have a budget. And so they are going to send a plan over here that we know will be so expensive that we will not be able to adopt it. But this is a great starting point. You have provided great leadership on this issue since you have been in Congress. I want to commend you for that.

Mr. FLETCHER. I thank the gentleman from Kentucky.

Next I would like to recognize another gentleman that has joined us this evening on this discussion, a very important subject, prescription drugs, one of our newer Members who has taken a leadership role on this, the gentleman from Oklahoma (Mr. SULLIVAN). We are glad to have him here this evening. Certainly we appreciate him coming and sharing his remarks as we address this very important issue.

Mr. SULLIVAN. Mr. Speaker, I thank the gentleman from Kentucky for all his hard work on this very important issue. I have only been in Congress for about 4 months. When I was campaigning, I would go door to door. One of the biggest issues I heard from seniors was about Social Security, people living on fixed incomes, maybe had a small pension, but it was about prescription drugs. One lady that did not live too far from me, I remember going to her house. She said that she got about $900 a month from Social Security and her husband had passed away, he had a small pension from the railroad, and she was paying $1,000 a month for prescription drugs. Luckily she had a son that had an okay job and was helping her out. We need to change that.

Over the recess, this last recess we had, I went home and visited many senior centers in Tulsa and the surrounding areas. After meeting with thousands of seniors, it became clear that prescription drugs is definitely needed. It is a simple fact that every senior should have access to the prescription drugs they need. Yet we know that ''simple'' is not always synonymous with ''easy.'' I firmly believe that it is important to pass legislation that will not just last for 10 years like the Democrat plan, but for generations and future generations to come. Therefore, as this body of Congress debates legislation, we must be responsible. The bill must be fiscally achievable this year, next year and for years to come. We must not fail our seniors today, tomorrow or 50 years from now.

The legislation that has been introduced by the House Republicans provides a guideline that accomplishes these goals by offering coverage on a voluntary basis to all seniors. Most seniors pay between $1,800 and $1,900 per year on their prescriptions. This bill will cover the majority of seniors' costs, including 80 percent of the first $1,000 after a deductible and 50 percent on the next $1,000.

This plan is workable, this plan is simple, and this plan is right for American seniors. I urge my colleagues to join me in supporting this commonsense approach to ensuring our seniors have the prescription drug coverage they need and deserve. I would like to again thank the gentleman for Kentucky for all his hard work.

Mr. FLETCHER. I thank the gentleman from Oklahoma. Before he leaves, let me just ask him a question and make a remark. It certainly sounds like you have had a number of town hall meetings. As I go around my district in central Kentucky and I have had some town hall meetings with seniors, I really hear that this is probably the most pressing issue. You mentioned that illustration of the $1,000 a month of income. I hear this, especially from widows, women that have worked very hard all their life but they worked in the home. They are left with Social Security, which is very inadequate to provide for all the things they need in addition to prescription drugs. I just want to thank you and see if you have any further comments on that and this plan that we brought out here that would pay virtually 100 percent of coverage for those individuals that you talked about.

Mr. SULLIVAN. A lot of women are outliving men, too. You hear a lot of that at these meetings as well. A lot of times, too, they say, Well, John, we have heard this a lot about prescription drugs and we know you can't just give drugs to everybody. We want a plan that you can actually do. I have told them that we passed a budget, we put the money in this budget to accomplish this goal, and we can get this done in this Congress. This is not pie in the sky; this is a doable plan that we can accomplish this session of Congress. We all know that the President has said that he wants this done, he wants it on his desk, he will sign this bill. So it will be a travesty if this does not pass.

Mr. FLETCHER. We certainly appreciate the gentleman from Oklahoma being here tonight and his leadership on this very important issue, taking up this issue in a manner that, as you have described, is reasonable, responsible and, the big word, ''doable.'' This is doable. When you look at the alternative plans that the minority is offering, this is a plan that escalating costs would require ever, ever, ever-increasing taxes on hard-working Americans. Yet they have offered no explanation other than saying, well, we will sunset this plan after a few years so that we do not have to deal with the runaway costs that their plan incurs. You are absolutely right as you have taken the leadership to represent your folks back in Oklahoma, that this plan is very reasonable, it is very fiscally responsible, it is a tremendous benefit to our seniors, and it is doable. It can be done. I want to thank the gentleman for joining us this evening.

Next I would like to recognize, and I have spoken about the chairman of the Committee on Energy and Commerce who has just been tremendous in taking the leadership. This is a very, very tough issue. I am very pleased and honored to serve with the gentleman from Louisiana (Mr. TAUZIN) on the Committee on Energy and Commerce and want to certainly yield to him on this issue. I again thank you for your leadership. We plan on marking up this bill tomorrow and because of your leadership, we are going to be able to do that.

Mr. TAUZIN. I thank the gentleman from Kentucky. Let me also thank you as the newest member of the Committee on Energy and Commerce not simply for taking the lead to literally organize our efforts here on the floor to make sure that this bill is not just successful through the committees but that we actually pass it through the floor of this House and give the Senate time and a chance to work on their version of this bill so we might accomplish it before the November elections instead of just talking about it interminably. I want to thank you for all the great work you have already done on health care issues in the past and again what a great asset you have become to the Committee on Energy and Commerce and our work on health care.

Let me perhaps sum up the major components of what we have negotiated with the Committee on Ways and Means and which we will hopefully bring to the floor in good shape next week as we go through our committee process this week. The major components of what we are suggesting is that it is time to quit talking and to put in place a real and sustainable entitlement program within Medicare that will provide access to drugs at more affordable cost to the seniors of America who must depend upon drugs today for their daily and annual health care needs. The same way seniors in the 1960s depended upon hospitals and clinics, seniors now depend upon drugs to maintain their lives in successful quality time.

Those of us who still enjoy parents and grandparents, I still have a mother whom I love dearly, know that were it not for the Medicare system being there for her and the amazing advances of drug therapies and the capacities of modern pharmaceuticals to continue to make her life not only comfortable and enjoyable but vibrant and alive, understand how critical it is we change Medicare to create this new benefit.

Unlike the Senate bill, which they can outbid us on the dollars they can spend because they are not bound by any budget, they have never passed a budget, and I should say the other body, just as the other body can outbid us, so can our colleagues in the House outbid us if they do not want to abide by the budget numbers. But the budget numbers provide us with $350 billion.

We were charged with crafting an entitlement program, a program that would last forever, that would not be sunsetted, that would be available to seniors and they would know it is available for the rest of their lives. That is the first thing we did. We crafted a drug benefit within Medicare that was truly an entitlement.

The second thing we did was to make it voluntary, just as part B is, just to make sure that seniors know that if they like it, they can sign up and accept the benefits of it or they can decide they would rather not have it, they would rather have a private insurance plan that they are enrolled in or perhaps not invest in this plan at all. What we know from those who have looked at our plan is that we expect, from the managers of Social Security and from CBO estimates, that as many as 93 to 97 percent of the seniors of America will likely take advantage of this new drug benefit. Why? First of all, because if any senior lives under 175 percent of poverty, the plan provides total subsidy of the premium, in other words, total subsidy support, total support within this $350 billion that we are going to spend over 10 years toward the purchasing of this drug coverage for them.

Secondly, we know that seniors are going to like this. Even though they may not get all of the drug cost covered in the first $1,000 and $2,000 under the plan, we know they are going to like it for one very important reason, because it includes catastrophic coverage. Because it says at some point, whatever number we eventually agree upon in our markup, at some point the medical drug expenses will not bankrupt a senior, that at some point the costs get covered by this program and they will not have to suffer the loss of their home or their pension or their savings as a result.

When I talked to my mom about our plan and I explained to her that for $35 a month, she would have a plan that covers 80 percent less a deductible of the first $1,000 of expenses, 50 percent of the second $1,000, but, more important, I said, Mom, at some point once you have reached the out-of-pocket limit of the bill, whatever we decide it may be and we think it is going to be under $4,000, at that point you have no more drug expenses, that this plan will cover you and you won't lose the savings account that Dad left for you and you won't lose the house that he built for you and you won't lose your security, you won't have to spend yourself into poverty to get drug coverage.

Mom said, Sign me up today. Sign me up now, son. Get me in this program. The bottom line is we know that seniors are going to want to look for something that is permanent, voluntary and gives them these kinds of benefits.

The other thing I want to point out is that in this bill we also repair a lot of the reimbursements to Medicare, hospitals and doctors and nurses and teaching facilities, not 100 percent yet because we still have some work to do to do total repair, but we repair some of those reimbursement concerns and we make sure that the doctors in fact get a positive reimbursement in the years ahead and that nurses and hospitals get positive reimbursements to make sure that Medicare is always available in all the communities of America.

The last thing we want to see is some community lose its Medicare providers because we failed to take care of some of the reimbursement concerns and the cliffs and the walls that some of these providers are about to hit. And so this bill addresses, within the confines of the dollars available to us in the budget, this drug benefit program but also the needs of the provider community to make sure that, in fact, doctors and nurses and hospitals are still available to carry out ordinary Medicare services to folks like my mom and to folks like your seniors in your community.

□ 1730

Last of all, in the bill we obviously want to make sure that the Medicare+Choice programs that have been available and are still available as an option to seniors in this great country are still available. So we help make sure we stabilize those programs within this bill.

In other words, we want to make sure that seniors have as many options as possible, options in Medicare+Choice, where it is available, and hopefully stabilize it so it continues to be available; secondly, options to continue to receive health care through Medicare at the hospitals and clinics, through the nurses and doctors and providers of our Medicare system; and, most importantly, to add this important new drug benefit option to seniors.

Now, can we get it done? You betcha. Can we get it done this year, pass it into law this year? Yes, we can. This is doable. This is not a program that ends in 5 years, as the other body would provide. It is not a program that goes over our budget. It is within our budget, and it is doable.

We pass it on this floor next week, and the other body has all the time in the world to get their act together and meet us in a conference and make it happen this year for the seniors of America.

Listen, this is not a benefit that can wait. Seniors are desperate for some help in their drug coverage. Seniors are desperate for us to pass this into law, and we have got our chance next week.

I want to thank the gentleman and all the Members of the Committee on Energy and Commerce who began the markup process today and are going to work with me through the next 3 days to make sure we produce a product that this House can act on next week, one we can get done and finished so the Senate can move and we can eventually sign this important new addition to Medicare into law.

I thank the gentleman for his sterling work on the Committee on Energy and Commerce and for calling this special order tonight.

Mr. FLETCHER. I thank the gentleman from Louisiana (Chairman TAUZIN). It is certainly a privilege to serve with the gentleman. Again, I want to thank the gentleman for the endless hours that he has put into it, him and his staff and the other members on the committee, to put together this bill. It is the culmination of several years' work.

We have improved on the bill we passed a year-and-a-half or 2 years ago. We made some tremendous improvements, as the gentleman stated. That is why it is estimated that 93 to 97 percent of the seniors would find this plan so attractive that they would take advantage of it, just as the gentleman's mother said.

Let me thank the gentleman also for his leadership. The Committee on Energy and Commerce has historically taken a very strong leadership role in health care, and the gentleman has continued not only that, but enhancing that leadership role, and it is a privilege to serve with the gentleman. I thank him for coming and sharing the time with us this evening.

As we continue to look at this, the chairman of the Committee on Energy and Commerce mentioned that we set aside $350 billion, and yet the Democrats, the minority party, did not offer any particular number for a budget. They did not offer any kind of plan to set aside any money at all for prescription drugs for our seniors. Yet they are beginning to roll out a plan that will probably spend between $800 billion over 10 years to $1.2 trillion.

They offered no plan to pay for that. They have not said whether they are going to cut education, national security or homeland security. Are they going to cut health care benefits to other individuals? Where are they going to get the money? Or are they going to offer an accompanying tax increase bill, because that is what they are talking about. They constantly talk about the fact of the tax relief that we passed for the American people.

So it would only make sense if they are offering a bill that rings up deficits as far as the eye can see, they would have to offer either some offsets in education, health care, national defense, homeland security, something to offset that, or offer a tax increase. I just do not see that happening.

I am additionally glad to have the gentlewoman from Pennsylvania, around the Pittsburgh area, with us also. She was here the other evening and shared some time. She has taken a leadership role on this. I know she has a lot of seniors in her district that she is very close to and concerned about. The gentlewoman from Pennsylvania (Ms. HART), we are glad to have you here this night. I yield to the gentlewoman.

Ms. HART. Mr. Speaker, I thank the gentleman from Kentucky (Mr. FLETCHER) for spending time on this issue.

People around the country are learning what our plan is all about. They are beginning to understand that we are responding to the concerns they have discussed with us, our principles: that we lower the cost of prescription drugs for every senior; that we guarantee that the prescription drug coverage will be available to them under the Medicare plan they are so used to receiving their health care through; that we improve Medicare, the whole plan, with more choices for them and more savings for them; and also that down the road Medicare will still be there, that we make sure we strengthen it for the future.

But the prescription drug issue is one that is new to Medicare, and it is one that as I know in the gentleman from Kentucky (Mr. FLETCHER) traveling in his district and those of us who have had an opportunity to speak today have all experienced the discussions with our constituents about this issue.

I am from Pennsylvania, where we actually currently have a State prescription drug plan. It is a very good plan, but it does not cover every senior. The concerns that I heard while I served in the State senate before I came here to Washington included the concerns that said, ''You know, I am a senior citizen. I am not poor, but my prescription drug costs are so high that they are making us poor.'' It is couples that basically were very comfortable until one of them was stricken with a more serious illness and was hospitalized, and then went out of the hospital to maintain his or her health and found that the cost of $1,000 a month or so was going to break them. It is something that was not really helped by the State of Pennsylvania's PACE program, because it is strictly a benefit available only to people who qualify by income.

I think it is important that we note that. Although Pennsylvania's plan has helped a lot of folks and continues to help a lot of folks, our plan is more comprehensive.

I recently held a roundtable discussion at home, and a gentleman who was with us that day talked to us about the maintenance and the prescription drugs that his wife needed to take for an ailment that she had and how they were making the choices that you do not want anyone to say they are making between some level of sustenance and the prescription drugs they needed to keep their health. It was clear to me that no matter whether a person in our roundtable was someone with very low income or someone with more moderate or higher means, that they believed that the Medicare system should certainly address the issue of prescription drugs. That is why we have gone in that direction. It is important for us to do that.

People have come to rely on Medicare as their health coverage once they reach retirement. It is something that gives them peace of mind. They know they will be taken care of if they go to the hospital, if they see their doctor. Those issues that take a little bit of that concern away from them also, I think, help with their health. Unfortunately, now the worry that many of them have faced as a result of not knowing how to pay for their prescription drugs has caused a lot more problems for them.

Our plan will make sure that that worry goes away. It provides 100 percent coverage for low-income seniors and a small premium for coverage for higher-income seniors. The whole point is to make sure that people know they will be taken care of.

Our roundtable discussion gave me the opportunity to talk to the senior citizens in my district about what they really want to see. They said they like the idea we will make the coverage available to everyone, but please do not force them to avail themselves of that coverage, because if they have a good pension, and a lot of people in my district are doing okay, have a decent pension from their retirement that gives them some drug coverage, and they like what they have, they want to keep it. So it is a voluntary plan. That is one of the other important things. We do not force anybody into a plan they are not interested in being part of, but it is available to everyone. So that is the key.

The group wanted to know if it would cover every senior, not just the low-income seniors that were covered under Pennsylvania's current plan. I said, of course. The plan was to look at what was working well in the States that have those kinds of plans, but beef them up with other coverage for those who may not be covered by some of the States that have plans, like ours. It is called the PACE program. Like I said earlier, it is based on income only.

As you see, if you have a certain low level of income, under our Medicare prescription drug coverage plan, you will be covered for free. It will be very similar to our program at home. But what is better about the Medicare drug coverage plan that we have, that the Republicans have proposed, is that it does not stop here. It would provide prescription drug coverage for those who are higher income so that part of their costs would be covered.

I think the average senior citizen, some statistics we found show that the average senior who pays $2,100 in prescription drugs would save over 50 percent under our plan. That is a lot of money. All the seniors I met with urged me to ensure that those coverages would be available. They also said they wanted to make sure that if someone has extremely high costs, that they will be helped as well, even if they have a higher income. Like I said, it is available to every senior.

Our plan addresses people who are in a dire financial situation, and it does not force them to make a choice between sustenance, between food and their prescription drugs; between paying the rent or paying that mortgage, if they still have one; or other expenses and prescription drugs. They should not have to make that choice. These are a lot of the World War II generation, people who have served their communities all their lives. The least we can do now is to provide them with really what is an updated Medicare coverage.

It is a good plan. It is voluntary. It reduces costs for every senior. Prescription drugs are what people need as they age and they face illnesses to keep them healthy and out of the hospital. Our goal is to try to keep people as healthy as possible, so our Medicare prescription drug coverage is certainly something that is going to help them, keep them healthy and active, as they are today, so many seniors.

If we can keep them healthy and active, in the long run Medicare is going to save money, because they will be out and working and being active and out of the hospital, which is the key. I think it will be better for them, their families, and obviously for their peace of mind.

I thank the gentleman for allowing me to be part of tonight's discussion.

Mr. FLETCHER. Mr. Speaker, we appreciate the gentlewoman's leadership role and her coming.

As the gentlewoman was talking about those low-income seniors, I was reminded of a senior that I talked to. It was a group of seniors, but one of the individuals from a senior citizens center came up and talked to me who managed it. He said there was a gentleman in that center, and that the first half of the month he was just a perfect gentleman in every way. The last half of the month, however, his countenance and behavior changed substantially. When they really investigated, it was because he was a low-income senior, fixed income, and could only take his medicine for half a month. That is all he could afford.

So this plan is doable. It is not a pie-in-the-sky plan that we see the minority offering. That pie-in-the-sky plan would actually keep us from passing this bill as we pass it if the Senate does not take it up. Yet this would provide for that gentleman I am talking about, for the seniors the gentlewoman has alluded to and talked about specifically. It would provide 100 percent coverage for these low-income seniors. It would prevent that gentleman I was talking about from having that terrible experience of having to just take half a month of his medications and then have the consequences of that.

So I thank the gentlewoman for joining me.

Ms. HART. Mr. Speaker, if the gentleman will yield further, I was going to add to that that his physician would have sat him down and told him exactly what he needed to do to maintain his health. He probably has every intention of doing that. All we need to do

is help him do it, because he is perfectly willing, I am sure, to take the medications that he needs to maintain his health. We just need to give him the wherewithal to get those medications.

Mr. FLETCHER. Absolutely. One of the things I find out with these seniors in my experience, in practicing medicine with some of these seniors, they are very proud people. They are not used to having to come up and saying, I cannot afford this for the rest of the month, because they worked very hard. We put them in a very awkward position, and so it is very difficult for them to come.

With this kind of plan, it would be within Medicare. Just like the plan they receive now, it would be something that is an entitlement, they earned this, and it would prevent that from happening.

The gentlewoman is absolutely right. We appreciate her being here. I know the people of Pennsylvania are very proud to have her represent them.

Next as we continue this discussion, I want to just say as we look at Medicare, it was established in 1965. The next gentleman has not been here that long, but he has been here longer than I have, and he is a very distinguished member of the Committee on Energy and Commerce. He represents southern Illinois, and in his new district actually he will be bordering my home State of Kentucky.

I yield to the gentleman from Illinois (Mr. SHIMKUS). We are glad to have him here tonight. We appreciate his leadership on the Committee on Energy and Commerce, as well as his leadership on the prescription drug effort and this bill and being with us here this evening.

Mr. SHIMKUS. Mr. Speaker, I thank the gentleman. It an honor to have the gentleman on the Committee on Energy and Commerce, and his expertise helps us move important health care legislation.

Mr. Speaker, we do have the best health care in the world, but it has problems, and it has challenges. Really one of the most frustrating things for me is to try to address how the Federal Government is a good or bad partner in all the different aspects of health care.

A lot of my colleagues have spent a lot of time talking about the prescription drug benefits in this plan, but there are some other benefits in this package that I also want to make sure that we highlight and address.

One is, of course, a little self-serving, is my own piece of legislation, H.R. 4013, which we are going to include, the Rare Diseases Act. Being the sponsor of the bill, it encourages better treatment, better diagnostic procedures and cures for large numbers of rare diseases and disorders.

□ 1745

These are diseases that are very catastrophic to the individual; but in terms of the number of population, it is based upon a large population of the country, it is a very small percentage. So there are great challenges, and people who want to try to invest to find a cure, since the population is so small, we have to really encourage people to do the research and the development, and we have to encourage them to try to find the new medicines to help do that.

Although each of these illnesses affects less than 200,000 people, a total of 25 million Americans, one in nine, today suffer from at least one of the 6,000 known rare diseases. A lot of the familiar ones that we have heard about, Lou Gehrig's disease is one of these diseases, Tourette syndrome is another one, that if not included in this provision, would probably get left out, and then we would not have the incentive to help this segment of the population that are afflicted by some of these terrible diseases.

So that is why I am excited about the markups that are occurring in actually two committees, our committee and the Committee on Ways and Means. They are very similar, I think there will be some differences, but we will work them out when we bring that bill to the floor.

But I also appreciate the fact that our bill meets the budgetary guidelines, and that is no small task. We pass a budget, we fight over the budget, that fight is over. We pass it on the floor, and then we have that slice of the financial pie to be able to address a prescription drug issue and some reform provisions. It is no small task, and I applaud the leadership on both sides, from the Committee on the Budget to the chairman, for making that happen.

Again, the other thing that I wanted to highlight real quickly are some of the other provisions in here that are very, very beneficial, especially to rural and small communities throughout southern Illinois. All people who deliver those services, all hospitals will see increasing payments in 2003 for hospitals by reducing the market basket, inflation adjustment rate.

Sole community hospitals will increase payments in 2003 for rural hospitals by the full market basket resulting in a 3.3 percent increase.

There is a lot of terminology here. I come from the military, from an Army background; and we had acronyms out of the world. So one we see here is the DSH payments, which stands for disproportionate share. This bill will increase the DSH payments for rural and small hospitals in urban areas by increasing the cap from 5.7 to 10 percent over 5 years beginning next year. It addresses an issue of critical access hospitals wherein it reinstates special cash-flow provisions, fixes special physician payment adjustments; and we can see the complexity of health care in here when we have all of these specific areas that we are trying to fix with this legislation. The legislation imposes flexibility in the size requirement as defined by the number of beds, and reauthorizes rural flexibility grants.

Home health. It benefits home health care, which is a major provider of something we believe in and that has really taken a beating since 1997.

It also increases hospice care. As an individual, and as many families have concerns when someone is dying in the family and hospice comes. It is a great service. We need to help that service. It is a great way to ease someone into that next transition from this life to the next by having care and concern at home, and hospice gets reinforced financially.

It helps direct graduate medical education. It helps teaching hospitals in rural areas and in small cities to receive additional direct graduate medical education assistance.

In studies of geographic adjustment for physicians, there is a differential in payments for physicians. This will help to quantify and qualify for that.

It addresses ambulance transportation. I have a great aunt on my wife's side who had to be moved. Some of the movement was funded, some of it had to be paid out-of-pocket, and the out-of-pocket was not a very good way to be transported 50 miles.

The last thing was indirect medical education. There is an increase of 5.5 percent in 2003 and 6 percent in 2004.

Mr. Speaker, a lot of my colleagues have come to the floor and talked about the benefits of people having access to prescription drugs. Illinois has a pretty good program too for the poor. This will help build on that. But there are other provisions in this bill that as we get the bill through the committee and as we work with the Committee on Ways and Means and we get it on the floor, if we stay within the budget guidelines, not only can we provide seniors with some hope for the future of some assistance with their prescription drug costs, but we can really start addressing some of the catastrophic concerns that have evolved based upon the funding mechanisms for rural and poor hospitals.

That is why I am pleased to come down to the floor and speak in support of this bill.

Mr. FLETCHER. Mr. Speaker, I want to thank the gentleman for coming and sharing. He brought out a lot of the other details of this bill which are very, very important. We can provide all of the health care out there, but if there are no providers that are willing to participate in this program, the seniors would have no access to health care. This makes some very important corrections, as the gentleman mentioned, for rural hospitals, physicians, hospice, home health, those things that ensure that not only do we have this coverage for prescription drugs, but that we have providers that will participate fully so that seniors will have full access to the health care they need.

The gentleman mentioned the rare diseases, and something I think is a

moral obligation, and I want to thank the gentleman for taking the leadership. It is not a large number of people, but if you have ever known a family or been in a family or had a family member that is afflicted with one of these diseases, it has a tremendous impact. I want to thank the gentleman for all of his work and leadership on that. We are glad to see that.

I wanted to ask the gentleman a question. We have the gentleman from Illinois (Mr. KIRK) here, and I know Kentucky has shortfalls in Medicaid. We have $700 million shortfalls, and that is similar to a lot of the States around. This provides, for those that are dual-eligible for Medicare and Medicaid, it helps buy out those transitions for 10 years and saves the States $40 billion, which is tremendously needed in Kentucky, and I know the gentleman mentioned that, and I would like to give the gentleman an opportunity if he would like to speak to that point.

Mr. SHIMKUS. Mr. Speaker, we have been working with the State government in sharing what information we have about the bill being presented, and they are very excited about it, not just because of that provision, but also because of the assistance with the prescription drugs. The States are in financial crisis. Illinois, I think, had a $1.2 billion shortfall which they have been wrangling with now for months, and they have had to make some tough decisions. We, through this legislation, will be able to help bring more flexibility and more support for rural health care.

Health care in America again is a very frustrating thing, if one is really following the dollars and cents. I think the only way we survive is through partnering, through working with local community hospitals. There is a lot of hospitals that are writing off millions of dollars of uncompensated care. And they are providing a great public service. Maybe not just a public service, maybe a lot of them are religious affiliated hospitals and that is part of their mission, but they are still writing it off and they are real dollars. So by working with the State and the Federal Government partnering, by working with community hospitals, whether they are tax-supported or faith-based organizations, we can continue to provide the care that this country expects us to provide, not just for those of us who are employed and have good plans, but for those who are less fortunate or are retirees or are those who are in transition away from work at this time.

Again, I thank the gentleman for the time, and I think the State will be very excited to get this bill out of committee and on to the floor. The gentleman from Illinois (Mr. KIRK) may make some comments about how the State of Illinois will also benefit.

Mr. FLETCHER. Mr. Speaker, I thank the gentleman. I yield to the gentleman from Illinois (Mr. KIRK). We thank him for his leadership and the experience that he has brought, not only to this issue, but to Congress in general in his work in the past, representing the suburbs of Chicago. We thank the gentleman for coming and joining us this evening.

Mr. KIRK. Mr. Speaker, I thank the gentleman. I am absolutely in awe of the gentleman's work product and what the gentleman has done. I want to help the gentleman in every way possible.

Mr. Speaker, when Medicare was established in 1965, prescription drugs given outside the hospital did very little. Republicans and Democrats both left it out of a Medicare program. Today, prescription drugs given outside of the hospital carry much of the load in medical care. Republicans and Democrats agree on a bipartisan basis that it is time to add prescription drugs to Medicare for needy seniors. Many States, such as my own home State of Illinois, already have done so; but it is time for the Federal Government to do its part.

The real difference between the two parties, Mr. Speaker, is one of cost. The minority's plan would create an open-ended, unlimited program to subsidize even very wealthy seniors who are ready to take part and already have a prescription drug plan. Costs would skyrocket, dipping into Social Security and limiting funding to restore our national security. The minority's price tag for their plan could exceed $800 billion. Do we sacrifice homeland security or national defense or Social Security or education to pay for their plan?

Last year, in a nonelection year, most minority members voted for a prescription drug plan that cost $325 billion over 10 years. Now, in an election year, the number has nearly tripled. But if we are to adopt a plan which costs so much, eventually, we will have to break a promise made to seniors.

The majority plan cares for needy seniors without putting financial pressure on Social Security or denying the needs of our men and women in uniform in Afghanistan's front lines. Our plan is balanced. It protects needy seniors and does not break the bank.

I just want to close by saying that by not breaking the bank, our plan means that a promise made to America's seniors is a promise that will be kept, and we need to design a plan we can afford to keep so that seniors can count on this.

I applaud the leadership of the gentleman on this, and I thank him for all he has done to bring this plan before the House of Representatives.

Mr. FLETCHER. Mr. Speaker, I thank the gentleman. I think he has made some very good points, points that are new and the first time they have been made here tonight, and that is, if the plan previously was enough, not only in an election year, how are they going to pay for that? Particularly the part about an open-ended entitlement for wealthy seniors that would actually end up bankrupting Medicare and threaten it in the future.

One of the things that really concerns me is that if we look at the Democrats' plan, $800 billion to $1.2 trillion over 10 years, the estimated cost of that. Now, where are they going to get that? Are they going to get it from education, national defense, homeland security? Are they going to have to raise taxes? What we have under their plan is that they would have to raise taxes on our hard-working people. These are our teachers, these are the folks that are working in the kitchen. These are folks that are just barely making it by, new families that are trying to ensure that they can buy their first home. We will be taking from them, and we will be supporting the prescription drugs totally for folks like Ross Perot.

I think the gentleman pointed out a real moral dilemma and a real moral shortfall in their plan, so I thank the gentleman for coming tonight.

Mr. KIRK. Mr. Speaker, if the gentleman will yield, I would just say that it is important to note seniors will count on the commitment that we are making. So it is important that the commitment that we make is one that we can keep. By designing an affordable plan, we will be there for seniors in the future.

Many seniors remember when the Congress created a catastrophic health care plan and then revoked it just a short time later, so that the promise made was not a promise kept. The gentleman and I both want to care for seniors, and we both want to make sure that their house cannot be taken away because they have been bankrupted through prescription drug costs. Our plan does that. But we do not want to design a plan which some future Congress cannot afford to pay for, with all of the other demands.

America's seniors, more than any other generation, knows that there is a war on, and that we have to make a responsible commitment that we can afford to keep. That is why I applaud the direction that the gentleman is going in here with this plan; because under this plan, we will make commitments to seniors and we will be able to afford to keep them.

Mr. FLETCHER. Mr. Speaker, again, I thank the gentleman, and I thank him for the good representation for the folks from Illinois there.

I have here a list. The gentleman mentioned that previously the Democrats had supported this bill.

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Let me read off just a few names of Democrats in a nonelection year who voted not for $350 billion, but had voted for less, $303 billion, and they thought that was very adequate, very good for prescription drugs. Now these same people say that $350 billion is not adequate. Maybe it has to do with the fact that this is an election year.

Let me read some of the names: the gentleman from Missouri (Mr. GEPHARDT), the gentleman from Michigan (Mr. DINGELL), the gentleman from Michigan (Mr. BONIOR), the gentlewoman from California (Ms. PELOSI), and the gentleman from California (Mr. STARK). These are Members that we will hear talk about this $350 billion not being enough. Why? I think clearly we see that they want to make a political statement in an election year.

Our plan, again, is very doable, very reasonable. The real dilemma here that we have in America is that no senior should have to choose between food and medicine. I think any of us who have been out to our senior citizen centers, those who have practiced medicine, have seen that dilemma.

Now, in practicing medicine, we try to give samples, and pharmaceutical companies have certainly given away free medication. But we have a plan here that will make sure that this is not the order of the day in America; that we will eliminate this dilemma by providing coverage to those seniors who are having to make that choice now.

We have gone over some of the principles:

One, it is a voluntary plan; very important. Members have heard that 93 to 97 percent of seniors will take advantage of this because this plan is so attractive.

It provides choice; it is a voluntary plan. This is unlike the Democrats' plan, the minority plan, which provides one single formula. Now imagine that. That means a bureaucrat is going to be managing every single pharmaceutical drug that one can have in their medicine cabinet. That means we politicize every single new product that comes out that is produced.

Of all the wonderful medications that we have had, and that is the reason we have this problem with rising costs is because we have had tremendous technological advances in pharmaceutical agents, imagine every one of those agents being politicized to the point of deciding are we going to add this to the formulary or not.

We would have the House of Representatives and the Senate and bureaucrats micromanaging this sort of thing when it really needs to be out there where patients and seniors have a choice between plans, and how they choose the plans will drive what medications are on those plans. That is why choice is extremely important.

This plan guarantees every senior will have at least two choices; at least two, minimum. We anticipate they will have more than that.

It is a guaranteed plan. It is not something we put up and say, we can afford this very large plan for a few years, and then we are going to have to sunset it. That is like putting a chair out and asking the senior to have a seat, and then right at the time they begin to sit down, we pull it right out from under them. We do not think that is responsible, and it is not something we could even fathom doing to our senior citizens. So this is a guaranteed entitlement that will go on and extend.

It also provides immediate savings. The CBO has estimated in the past it will provide up to 30 percent. We do not know exactly what the number is, but we do know it will provide immediate relief. That is now for seniors as they walk in.

If we have an employer-based insurance plan, we walk in and get a reduction on our pharmaceutical drugs, but seniors do not. They pay sometimes up to 25 percent more. That is not fair. By the power of negotiating, we can reduce that and give them savings immediately.

It also provides catastrophic coverage. Anybody who has out-of-pocket expenses of over $4,500 will get those expenses fully covered. What does this prevent? It prevents individuals from having to bankrupt themselves and spend a lifetime of savings due to runaway drug costs. This is a protection we find when we talk to seniors that most of them, and overwhelmingly the majority of them, desire.

So this lowers drug costs now, and guarantees all seniors will have coverage under Medicare. It is under Medicare. It will improve Medicare with more choices and more savings. We talked about the provider changes, the hospital changes, and some of the other changes.

We did not talk a lot about the Medicare+Choice, which has about 5 million Americans participating in that plan. We want to make sure they continue to have the coverage they have, and it will strengthen Medicare for the future.

We talked about, for those low-income individuals, about those making $17,910 for couples or $13,290 for singles, this will fully cover their expenses, so we will have no low-income seniors or seniors on fixed incomes having to decide between food and medicine.

There are a couple of other charts I would like to get here. Let me say, who thinks that $350 billion is enough for Medicare? One, the House Democrats thought that. On the Spratt amendment, the gentleman from South Carolina (Mr. SPRATT) offered House amendment No. 21 to the fiscal year 2002 budget resolution which said $350 billion is enough. Now, again, they have changed their tune on that. The tripartisan Senate group June 7, 2002, said in Congress Daily $350 billion is adequate.

Next, I talked about the expenditures: What is reasonable, what is doable. The House Democrats triple Medicare spending in just 1 year. If we look, it goes from 400- to over $1.2 trillion in 1 year.

Now, they talk about tax breaks, and they do a lot of talking about the tax relief bill that we gave, yet when we look at that, many of the Democrats voted for that tax relief bill. Now they are talking about the fact that our prescription drug bill is not affordable because of the tax relief we gave to the American people.

They are offering a bill that triples the expenditures of Medicare. They talk about, with class warfare as part of their discussion, that we are not able to afford that because we gave some tax relief to the hard-working Americans.

Well, I would like for them to step up and say how are they going to pay for this triple expenditure that they have, and is it doable? There are some on the Senate side who have offered a bill and sunset it after a few years because they know they cannot afford it, particularly in the outlying years. Again, that is not, I think, a morally reasonable thing and a doable thing that we can enact here. We need to enact a bill that is responsible and doable.

Next, let me point again to tell Members that the Senate Democrat plan expires in 2010. We see an expiration. Ours is a continuing entitlement that will be for seniors from now on. It is a responsible way of doing a bill and will continue to provide those benefits that we have talked about.

Who supports this bill? We could go through: the 60 Plus Association, the Alliance to Improve Medicare, the ALS Association, the American Academy of Dermatology Association. We could go right on down and look at number of associations. The Kidney Cancer Association, the Health Association of New York State. Florida AIDS Action sponsors this and supports this bill. There is the Society for Thoracic Surgeons, United Seniors Association, the Visiting Nurses Associates. We also have American Urological, American Association of Cataract and Refractive Surgery.

What we have is an overwhelming number of the providers that are actually taking care of patients and seniors, groups that actually are speaking on behalf of seniors who support this bill.

In conclusion, let me say that this bill is a very responsible bill. Again, I want to thank the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Florida (Mr. BILIRAKIS) for their work. The Committee on Energy and Commerce will be beginning to mark up a bill tomorrow to provide a Medicare prescription drug benefit for every senior in America.

I want to close out. I appreciate the opportunity to speak this evening on this very important subject. I feel very hopeful that we can get this passed and pass it on to the next body to take it up, and pass this bill for the seniors across America.

FY 2003 FUNDING TO PAKISTAN

The SPEAKER pro tempore (Mr. ISSA). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I would like to take this opportunity to raise