

because they have an enormous prescription drug cost. We need a guaranteed prescription drug benefit. Where is our heart in America? Where is our reason and our respect for the Greatest Generation?

I would like this to be bipartisan, but we need it to work; and the Republican plan is a voluntary card that insurance companies have. And if they do not make the money in their area, as they did not in my area, then they will close up shop. There is a period when they stop paying for the prescription drugs.

Mr. Speaker, there is a lot left to be done. Let me conclude by saying we are working on the homeland security department, and I am for it. But as we create this Department, we cannot forget our civil liberties and dual process. We must have those as we move this Department forward.

Mr. Speaker, this is work undone. We must get to work in this Congress.

REINSTATE CALIFORNIA'S MEDICAID UPPER PAYMENT LIMIT

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

Mr. DREIER. Mr. Speaker, I know that we have been talking about a wide range of issues today, corporate responsibility, establishing the Department of Homeland Security, and many other challenges that we are facing; economic recovery, of course, being very important. But I would like to take a few minutes to share with our colleagues some prepared remarks that I have on a very unique challenge that we as Californians face when it comes to dealing with the issue of health care.

As I said, California's public health care system is one of the most unique in our country. Unlike most States which run their own hospitals or States which have no public hospitals at all, California relies on a network of county-supported public hospitals working in conjunction with a network of private safety net hospitals. Together these public and private hospitals care for over 5 million Californians eligible for Medicaid and an additional 7 million Californians who are uninsured.

Obviously, supporting this network of health care for low-income Americans requires a reliable source of funding. California, like a number of other States, relies heavily on Federal dollars paid through what is known as Medicaid's Upper Payment Limit Program. The safety net hospitals in my County of Los Angeles receive over \$120 million each year through the Upper Payment Limit Program. UPL was initiated a decade ago based on the recognition that public hospitals are the hospitals of last resort for most needy patients.

It is a mechanism that allows qualified public hospitals to receive reim-

bursement for services at 150 percent of the Medicare allowable payment rate. Only city and county public hospitals which provide trauma and emergency room services to a large number of uninsured and low-income patients are eligible for the program. The reason for the increased payments is very simple, there is no market incentive for hospitals to offer emergency services to patients who will never have the means to pay for expensive procedures.

So it was with great dismay this past January when I learned that the Center for Medicare and Medicaid Services had instituted a rule to actually lower the upper payment limit and reduce Medicaid reimbursements for city and county public hospitals to 100 percent of the Medicare allowable payment rate.

Mr. Speaker, implementation of this rule will have immediate and devastating consequences for the public health system in my State. By the time final implementation of this new policy is complete, California will lose over \$300 million in Medicaid funding each year, an amount that cannot be replaced by any State or local source. The stated explanation for reducing UPL is that certain States were misallocating UPL payments and using them for non-Medicaid-related expenditures, and we all understand that concern; and we want to make sure that those States are in fact getting back on track.

While several States were identified as misusing these Federal Medicaid dollars, it is very important to note that California was not among them. In fact, a number of States did misuse UPL dollars; California was not one of those States. In fact, we never spent any Federal Medicaid dollars on anything other than public health care.

In its haste to close the so-called upper payment limit loophole, CMS has issued this regulation with too broad a stroke. This lowered upper payment limit punishes not only the States that were abusing Federal funds, and they should be punished, but it has hurt States like California which were operating properly.

This program for 10 years, under both Democrats and Republicans, has been implemented and strongly supported. Moreover, this regulation ignores the will of this Congress in regards to the upper payment limit for public hospitals. When the allegations of misused UPL funds came to light several years ago, this body responded by severely limiting these supplemental payments and by fixing the upper payment limit at the 150 percent level.

As I said, the House and Senate reached a bipartisan agreement that was codified when the Medicare and Medicaid Beneficiaries and Improvement Act was signed into law in the 106th Congress. By lowering the Medicaid upper payment limit to 100 percent, CMS is undoing a carefully crafted compromise that balanced the Federal Treasury with the need to ensure

that health care remain available to the most vulnerable of our fellow citizens.

Mr. Speaker, as I stand here today, there may be skeptics out there who say that when compared to the overall Medicaid budget for the State of California, the \$300 million received under the 150 percent UPL is nothing more than a drop in the bucket. Well, to that let me say that the financial situation in California, and indeed in many of our State and local governments across this country, is so constrained that not one Federal dollar can be cut from the Federal Medicaid allocation without it adversely affecting the availability of care for Medicaid patients.

Just recently, Los Angeles County revealed that it plans to close nearly a dozen community health clinics and lay off over 5,000 health care workers because of a lack of budgetary resources. What alarms me the most is that the county's budget does not include the tidal wave of Federal Medicaid cuts that are scheduled to go into effect next year, including the reduction in the upper payment limit.

The fact is, if the UPL reduction is implemented by CMS, health care for low-income and uninsured patients will be compromised as a result. If the counties across California are forced to reduce hospital services because of decreased Federal support, those patients faced with long waits at the few remaining open public hospitals will turn to private hospitals for emergency care. While Federal law prohibits private hospitals from refusing to treat uninsured emergency care patients, it does not prohibit them from closing their emergency room doors.

Faced with overflowing emergency rooms and inadequate Medicaid reimbursements, this is the choice that many private hospitals would be forced to make. Therefore, a decreased upper payment limit would force both public and private hospitals in California to curtail emergency and trauma care services resulting in an absurd situation where a constituent of mine from Claremont, California, could conceivably be forced to drive over 30 miles in rush hour traffic to the Los Angeles USC Medical Center to find an open trauma center. The prospect of such an occurrence is simply unacceptable.

Mr. Speaker, I wanted to make clear that, in stating my opposition to the reduction of the UPL, I am not asking for special treatment for California. I am simply asking for fair treatment of California.

Under its federally approved Medicaid UPL, California follows some of the most stringent requirements for UPL eligibility. To access those funds in California, more than 25 percent of a hospital's patients have to be Medicaid-eligible or uninsured. I reiterate that California has exclusively spent the money that it has received under the UPL program on health care, not on anything else. To punish California for the misdeeds of other States is unwise and unfair.

We are all aware of the fact that California provides more tax dollars to the Federal Treasury than it receives in Federal support. Our State is third to the last in Federal Medicaid spending on a per capita basis. We can afford to fall no further. The public health system in California is at a critical juncture, and we must act now to prevent a crisis that will affect tens of millions of California taxpayers.

Yet I am very cognizant of the fact that our Nation is currently at war, and because of that we face significant budgetary limitation this fiscal year and we will face challenges next year as well. I do not believe, however, that we should reduce health care services for our most disadvantaged people in our efforts to reduce costs. Such action will undoubtedly cause more instability and expense in the long run than any benefit that would be provided in the short term.

Because implementation of the reduction of the upper payment limit is not scheduled to take place for California until fiscal year 2004, we have a unique opportunity to address these concerns without impacting the budget of this Congress, but we must take action this year. We must further the bipartisan compromise that was put together in the 106th Congress, and I am underscoring the importance of that.

Mr. Speaker, I am here today to ask for the support of Members on both sides of the aisle to find a common-sense solution to this impending crisis and to protect California's public health system from financial attack. The people of California deserve no less. We obviously want to do everything that we possibly can to ensure that there is not a continued reliance on emergency services, and we are working on a broad range of reforms in the area of health care, including the delivery of prescription drugs to seniors and other reforms which we believe are very important. But in the meantime, until we bring about those reforms, we cannot leave those who are the most disadvantaged among us hurting.

Mr. Speaker, I thank my colleagues on both sides of the aisle from California who have joined in working hard to deal with this Medicaid upper payment limit issue. We remain strongly united as a California delegation to preserve the health care system in our State and for the country.

TROPICAL STORMS HIT GUAM

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

Mr. UNDERWOOD. Mr. Speaker, I come to the floor having been absent all week from the deliberations of the House due to two storms which hit my home island of Guam. The first typhoon, the eye of the storm, passed over Guam on July 5, 2002, Chamorro Standard Time, with sustained winds of over 110 miles an hour.

□ 1130

Subsequently, Typhoon Ha Long was supposed to hit Guam on July 11, but, fortunately, it just veered a little bit to the south of the island. These storms, which frequent my part of the world quite often, of course, have caused a great deal of damage and a great deal of interruption of public services, and obviously I was not able to come back to the House this week as originally planned.

I have just gotten off the phone with Mr. Joe Allbaugh of the Federal Emergency Management Agency, FEMA, and they have assured me that FEMA is on the ground in Guam. In fact, they have chartered a plane with some 300 people to come out to Guam to try to provide all of the services that are necessary, including individual services for those who were directly affected by the typhoon.

Historically, Guam has suffered a major typhoon nearly every decade. There are some 60 to 70 storms which this part of the world generates every year, tropical storms, and sometimes they reach the level of typhoons. Typhoon Chata'an is the first major storm to hit us since Typhoon Paka directly hit Guam also in 1997.

There are a number of issues that always pertain to typhoon recovery, including power and water situations, and, of course, the vast majority of Guam is still without power. Those areas which have been powered up are the hospital, the two hospitals, the Guam Memorial Hospital and Naval Hospital, and the water system is basically inoperable at this time, so that those areas that are getting water are required to boil water if they want to use it for consumption, as opposed to just bathing or taking care of the bathroom facilities. This situation is likely to continue on for at least 2 to 3 more weeks.

It is important that as we try to learn the lessons of typhoon recovery, which are indeed painful lessons and lessons which I hope many of the Members of this body and the people they represent never have to undergo, they really have a capacity to strain human relations, have the capacity to generate feelings about maybe people are not pulling their share of the load.

But I am happy to report that the people of Guam in general are in great spirits. The people of Guam understand, as they have so often in the past, that at a time of a typhoon, the time of typhoon recovery is a time to pull together, a time to act together and a time to rebuild together, and the people of Guam will rebuild their island, will rebuild the utilities and the services which most other Americans take for granted on a day-to-day basis.

Chata'an, which is in Chamorro, means rainy day, means having a bad day, but indeed it was a bad day. Chata'an also had affected the Island of Chuuk in the Federated States of Micronesia, which is the area where the storms generate. At that time it was

still under 75 miles per hour so it was only called a tropical storm, but it caused a number of landslides there and killed over 40 people. So Chuuk in the Federated States of Micronesia has also suffered greatly, perhaps not as much in damage as the people of Guam have, but certainly more in the sense of human loss and the effect on families.

Both the Federated States of Micronesia, which is an independent nation in free association with the United States, as well as the Territory of Guam, will be fully eligible for FEMA. I thank Mr. Allbaugh's recognition of this in our phone call just a few minutes ago, indicating that he will make sure that Guam is treated fairly and that it will receive all the services it needs, just like any other American community, and that as a result of the special relationship with the Federated States of Micronesia, also the FSM will be afforded the same treatment.

Typhoon Ha Long, which was supposed to pass directly over Guam 2 days ago, fortunately passed about 50 miles south of Guam. The people of Guam today are, in the main, without power, are without water, and they continue to deal with their conditions in the spirit that has always sustained them for centuries, and that is understanding we are always at the mercy of natural events, but that it is our own spirit, our own intelligence and our own capacity to work together, to collaborate together, which will see us through.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Mrs. EMERSON (at the request of Mr. ARMEY) for today on account of personal reasons.

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

Mr. FILNER, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. TAYLOR of Mississippi, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

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