

trade and diplomatic relations with Vietnam, Hanoi has made major progress on freedom of emigration, including helping with last year's resettlement of 3,000 former boat people held in refugee camps throughout Asia. In addition, Vietnam has steadily improved cooperation in locating U.S. servicemen missing in action. Finally, the very act of trading with the United States, and the desire to increase that trade, is resulting in the beginning of meaningful economic reforms in Vietnam.

This is a lesson that sadly, this Administration has not applied to relations with Cuba. There we have had a decades long trade embargo, and economic sanctions, that has done nothing, absolutely nothing, to loosen or undermine the hold of the Castro regime on the Cuban people. I urge the Administration to review the success of its actions on trade with Vietnam and apply that lesson to trade with Cuba. We will improve human rights and the economic situation of the Cuban people faster with a policy of trade engagement than with maintaining the status quo policy of failed trade sanctions.

In the meantime, we must continue to maintain normal trade relations with Vietnam. Perhaps another year's successful trade with Vietnam will convince the Administration that normalizing trade relations with Cuba will also be advantageous to the people of Cuba.

Mr. GILMAN. Mr. Speaker, I want to thank the distinguished Chairman of the Ways and Means Committee the gentleman from California, Mr. THOMAS and the Ranking Minority Member Congressman RANGEL and the Chairman of the Trade Subcommittee Congressman CRANE and its Ranking Minority Member Congressman LEVIN for bringing H.J. Res. 101 to the Floor. I want to commend Congressman ROHRBACHER for crafting this important resolution. The effect of this resolution would be to withdraw the President's Jackson-Vanik waiver for Vietnam.

Jackson-Vanik requires that a country permits free emigration of its citizens. According to Human Rights Watch, with regard to the exodus of Montagnards refugees to Cambodia, the Vietnamese government did everything that it could to prevent such an exodus. Human Rights Watch reported "the Vietnamese government began to tightly restrict freedom of movement throughout the Central Highlands. Montagnards arriving at the UNHCR sites in Cambodia reported that strict travel bans had been instituted throughout the highlands with police posted on the roads to stop movement of people and in the hamlets to prevent travel and communication between villages." The report goes on to state that "Areas from which large numbers of people had attempted to flee to Cambodia faced particularly heavy surveillance and extra travel restrictions."

Mr. Speaker, human rights organizations also inform us that security police recruited villagers to report on anyone who attended Christian meetings and even those who conducted family prayers in their own homes. Why should we award a dictatorship that attempts to prevent our war time allies from freely emigrating and persecutes people for praying?

Jackson-Vanik also sets down conditions to deny MFN to any country with a nonmarket economy. According to the Country Commercial Guide of the U.S. Commercial Service and the U.S. Department of State "State-Owned

Enterprises continue to dominate the industrial economy of Vietnam . . . The government's protectionist approach to these loss-making companies has long stood in the way of further trade reform and investment liberalization." The report goes on to state that "The government has organized around 2,000 State-owned Enterprises into 17 so-called 'general corporations' (or conglomerates) and 77 'special corporations', thereby reinforcing monopoly or privileged conditions in industries that account for approximately 80 percent of the productive capacity of the state sector."

Mr. Speaker, it is obvious that Vietnam does not meet the human rights and economic conditions set forth by Jackson-Vanik. Let's not reward a dictatorship that does not cooperate with us in helping to find our missing servicemen, refuses to permit our wartime allies to leave and uses trade to enrich and enforce its repressive regime. Accordingly, I urge my colleagues to support H.J. Res. 101.

Mr. CRANE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to the order of the House of Monday, July 22, 2002, the joint resolution is considered read for amendment and the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. McNULTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.J. Res. 101.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any RECORD votes on postponed questions will be taken later today.

IMPROVING ACCESS TO LONG-TERM CARE ACT OF 2002

Mr. HAYWORTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4946) to amend the Internal Revenue Code to provide health care incentives related to long-term care, as amended.

The Clerk read as follows:

H.R. 4946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Improving Access to Long-Term Care Act of 2002".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. DEDUCTION FOR PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions) is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new subsection:

"SEC. 223. PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of eligible long-term care premiums (as defined in section 213(d)(10)) paid during the taxable year by the taxpayer for coverage for the taxpayer and the spouse and dependents of the taxpayer.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2003, 2004, and 2005	25
2006 and 2007	30
2008 and 2009	35
2010 and 2011	40
2012 and thereafter	50.

"(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds \$20,000 (twice the preceding dollar amount, as adjusted under paragraph (2), in the case of a joint return) the amount which would (but for this subsection) be allowed as a deduction under subsection (a) shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowed as such excess bears to \$20,000 (\$40,000 in the case of a joint return).

"(2) ADJUSTMENTS FOR INFLATION.—

"(A) IN GENERAL.—In the case of a taxable year beginning after December 31, 2003, the first \$20,000 amount contained in paragraph (1) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2002' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of

\$1,000, such amount shall be rounded to the nearest multiple of \$1,000 (or if such amount is a multiple of \$500, such amount shall be rounded to the next highest multiple of \$500).

“(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of paragraph (1), the term ‘modified adjusted gross income’ means adjusted gross income determined—

“(A) without regard to this section and sections 911, 931, and 933, and

“(B) after application of sections 86, 135, 137, 219, 221, 222, and 469.

“(d) LIMITATION BASED ON SUBSIDIZED COVERAGE.—

“(1) IN GENERAL.—Subsection (a) shall not apply to premiums paid for coverage of any individual for any calendar month if—

“(A) for such month such individual is covered by any insurance which is advertised, marketed, or offered as long-term care insurance under any health plan maintained by any employer of the taxpayer or of the taxpayer’s spouse, and

“(B) 50 percent or more of the cost of any such coverage (determined under section 4980B) for such month is paid or incurred by the employer.

“(2) PLANS MAINTAINED BY CERTAIN EMPLOYERS.—A health plan which is not otherwise described in paragraph (1)(A) shall be treated as described in such paragraph if such plan would be so described if all health plans of persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 were treated as one health plan.

“(e) COORDINATION WITH OTHER DEDUCTIONS.—Any amount taken into account under subsection (a) shall not be taken into account in computing the amount allowable as a deduction under section 162(l) or 213(a).

“(f) MARRIED COUPLES MUST FILE JOINT RETURN.—

“(1) IN GENERAL.—If the taxpayer is married at the close of the taxable year, the deduction shall be allowed under subsection (a) only if the taxpayer and the taxpayer’s spouse file a joint return for the taxable year.

“(2) MARITAL STATUS.—For purposes of paragraph (1), marital status shall be determined in accordance with section 7703.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.”

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 is amended by inserting after paragraph (18) the following new item:

“(19) PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—The deduction allowed by section 223.”

(c) CONFORMING AMENDMENTS.—

(1) Sections 86(b)(2)(A), 135(c)(4)(A), 137(b)(3)(A), 219(g)(3)(A)(ii), and 221(b)(2)(C)(i) are each amended by inserting “223,” after “222.”

(2) Section 222(b)(2)(C)(i) is amended by inserting “223,” before “911.”

(3) Section 469(i)(3)(F)(iii) is amended by striking “and 222” and inserting “222, and 223”.

(d) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

“Sec. 223. Premiums on qualified long-term care insurance contracts.

“Sec. 224. Cross reference.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 3. ADDITIONAL PERSONAL EXEMPTION FOR DEPENDENTS WITH LONG-TERM CARE NEEDS IN TAXPAYER'S HOME.

(a) IN GENERAL.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

“(d) ADDITIONAL EXEMPTION FOR DEPENDENTS WITH LONG-TERM CARE NEEDS IN TAXPAYER'S HOME.—

“(1) IN GENERAL.—Except as provided in paragraph (2), an exemption of the exemption amount for each qualified family member of the taxpayer.

“(2) PHASE-IN.—In the case of taxable years beginning in calendar years before 2012, the amount of the exemption provided under paragraph (1) shall not exceed the applicable limitation amount determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable limitation amount is—
2003 and 2004	\$500
2005 and 2006	1,000
2007 and 2008	1,500
2009 and 2010	2,000
2011	2,500.

“(3) QUALIFIED FAMILY MEMBER.—For purposes of this subsection, the term ‘qualified family member’ means, with respect to any taxable year, any individual—

“(A) who is—

“(i) the spouse of the taxpayer, or

“(ii) a dependent of the taxpayer with respect to whom the taxpayer is entitled to an exemption under subsection (c),

“(B) who is an individual with long-term care needs during any portion of the taxable year, and

“(C) other than an individual described in section 152(a)(9), who, for more than half of such year, has as such individual’s principal place of abode the home of the taxpayer and is a member of the taxpayer’s household.

“(4) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—For purposes of this subsection, the term ‘individual with long-term care needs’ means, with respect to any taxable year, an individual who has been certified, during the 39½-month period ending on the due date (without extensions) for filing the return of tax for the taxable year (or such other period as the Secretary prescribes), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being, for a period which is at least 180 consecutive days—

“(A) an individual who is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(B) an individual who requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

“(5) IDENTIFICATION REQUIREMENT.—No exemption shall be allowed under this subsection to a taxpayer with respect to any qualified family member unless the taxpayer includes, on the return of tax for the taxable year, the name and taxpayer identification of the physician certifying such member. In the case of a failure to provide the information required under the preceding sentence, the preceding sentence shall not apply if it is shown that the taxpayer exercised due dili-

gence in attempting to provide the information so required.

“(6) SPECIAL RULES.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this subsection.”

(b) CONFORMING AMENDMENTS.—

(1) Section 1(f)(6)(A) is amended by striking “151(d)(4)” and inserting “151(e)(4)”.

(2) Section 1(f)(6)(B) is amended by striking “151(d)(4)(A)” and inserting “151(e)(4)(A)”.

(3) Section 3402(f)(1)(A) is amended by striking “151(d)(2)” and inserting “151(e)(2)”.

(4) Section 3402(r)(2)(B) is amended by striking “151(d)” and inserting “151(e)”.

(5) Section 6012(a)(1)(D)(ii) is amended—

(A) by striking “151(d)” and inserting “151(e)”, and

(B) by striking “151(d)(2)” and inserting “151(e)(2)”.

(6) Section 6013(b)(3)(A) is amended by striking “151(d)” and inserting “151(e)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 4. ADDITIONAL CONSUMER PROTECTIONS FOR LONG-TERM CARE INSURANCE.

(a) ADDITIONAL PROTECTIONS APPLICABLE TO LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (B) of section 7702B(g)(2) of the Internal Revenue Code of 1986 (relating to requirements of model regulation and Act) are amended to read as follows:

“(A) IN GENERAL.—The requirements of this paragraph are met with respect to any contract if such contract meets—

“(i) MODEL REGULATION.—The following requirements of the model regulation:

“(I) Section 6A (relating to guaranteed renewal or noncancellability), and the requirements of section 6B of the model Act relating to such section 6A.

“(II) Section 6B (relating to prohibitions on limitations and exclusions).

“(III) Section 6C (relating to extension of benefits).

“(IV) Section 6D (relating to continuation or conversion of coverage).

“(V) Section 6E (relating to discontinuance and replacement of policies).

“(VI) Section 7 (relating to unintentional lapse).

“(VII) Section 8 (relating to disclosure), other than section 8F thereof.

“(VIII) Section 11 (relating to prohibitions against post-claims underwriting).

“(IX) Section 12 (relating to minimum standards).

“(X) Section 13 (relating to requirement to offer inflation protection), except that any requirement for a signature on a rejection of inflation protection shall permit the signature to be on an application or on a separate form.

“(XI) Section 25 (relating to prohibition against preexisting conditions and probational periods in replacement policies or certificates).

“(XII) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

“(ii) MODEL ACT.—The following requirements of the model Act:

“(I) Section 6C (relating to preexisting conditions).

“(II) Section 6D (relating to prior hospitalization).

“(III) The provisions of section 8 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

“(B) DEFINITIONS.—For purposes of this paragraph—

“(i) MODEL PROVISIONS.—The terms ‘model regulation’ and ‘model Act’ means the long-term care insurance model regulation, and

the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000).

“(ii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

“(iii) DETERMINATION.—For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.”.

(b) EXCISE TAX.—Paragraph (1) of section 4980C(c) of the Internal Revenue Code of 1986 (relating to requirements of model provisions) is amended to read as follows:

“(1) REQUIREMENTS OF MODEL PROVISIONS.—

“(A) MODEL REGULATION.—The following requirements of the model regulation must be met:

“(i) Section 9 (relating to required disclosure of rating practices to consumer).

“(ii) Section 14 (relating to application forms and replacement coverage).

“(iii) Section 15 (relating to reporting requirements), except that the issuer shall also report at least annually the number of claims denied during the reporting period for each class of business (expressed as a percentage of claims denied), other than claims denied for failure to meet the waiting period or because of any applicable preexisting condition.

“(iv) Section 22 (relating to filing requirements for advertising).

“(v) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C, except that—

“(I) in addition to such requirements, no person shall, in selling or offering to sell a qualified long-term care insurance contract, misrepresent a material fact; and

“(II) no such requirements shall include a requirement to inquire or identify whether a prospective applicant or enrollee for long-term care insurance has accident and sickness insurance.

“(vi) Section 24 (relating to suitability).

“(vii) Section 29 (relating to standard format outline of coverage).

“(viii) Section 30 (relating to requirement to deliver shopper's guide). The requirements referred to in clause (vi) shall not include those portions of the personal worksheet described in Appendix B of the model regulation relating to consumer protection requirements not imposed by section 4980C or 7702B.

“(B) MODEL ACT.—The following requirements of the model Act must be met:

“(i) Section 6F (relating to right to return), except that such section shall also apply to denials of applications and any refund shall be made within 30 days of the return or denial.

“(ii) Section 6G (relating to outline of coverage).

“(iii) Section 6H (relating to requirements for certificates under group plans).

“(iv) Section 6J (relating to policy summary).

“(v) Section 6K (relating to monthly reports on accelerated death benefits).

“(vi) Section 7 (relating to incontestability period).

“(C) DEFINITIONS.—For purposes of this paragraph, the terms ‘model regulation’ and ‘model Act’ have the meanings given such term by section 7702B(g)(2)(B).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to policies issued after December 31, 2002.

SEC. 5. EXPANSION OF HUMAN CLINICAL TRIALS QUALIFYING FOR ORPHAN DRUG CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 45C(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(C) TREATMENT OF CERTAIN EXPENSES INCURRED BEFORE DESIGNATION.—For purposes of subparagraph (A)(ii)(I), if a drug is designated under section 526 of the Federal Food, Drug, and Cosmetic Act not later than the due date (including extensions) for filing the return of tax under this subtitle for the taxable year in which the application for such designation of such drug was filed, such drug shall be treated as having been designated on the date that such application was filed.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenses incurred after the date of the enactment of this Act.

SEC. 6. VACCINE TAX TO APPLY TO HEPATITIS A VACCINE.

(a) IN GENERAL.—Paragraph (1) of section 4132(a) (defining taxable vaccine) is amended by redesignating subparagraphs (I), (J), (K), and (L) as subparagraphs (J), (K), (L), and (M), respectively, and by inserting after subparagraph (H) the following new subparagraph:

“(I) Any vaccine against hepatitis A.”

(b) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendments made by subsection (a) shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 7. ELIGIBILITY FOR ARCHER MSA'S EXTENDED TO ACCOUNT HOLDERS OF MEDICARE+CHOICE MSA'S.

(a) IN GENERAL.—Subparagraph (B) of section 220(c)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

“(iii) MEDICARE+CHOICE MSA'S.—In the case of an individual who is covered under an MSA plan (as defined in section 1859(b)(3) of the Social Security Act) which such individual elected under section 1851(a)(2)(B) of such Act—

“(I) such plan shall be treated as a high deductible health plan for purposes of this section,

“(II) subsection (b)(2)(A) shall be applied by substituting ‘100 percent’ for ‘65 percent’ with respect to such individual,

“(III) with respect to such individual, the limitation under subsection (d)(1)(A)(ii) shall be 100 percent of the highest annual deductible limitation under section 1859(b)(3)(B) of the Social Security Act,

“(IV) paragraphs (4), (5), and (7) of subsection (b) and paragraph (1)(A)(iii) of this subsection shall not apply with respect to such individual, and

“(V) the limitation which would (but for this subclause) apply under subsection (b)(1) with respect to such individual for any taxable year shall be reduced (but not below zero) by the amount which would (but for subsection 106(b)) be includible in such individual's gross income for the taxable year.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona (Mr. HAYWORTH) and the gen-

tleman from California (Mr. STARK) each will control 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. HAYWORTH).

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Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support this morning of this very important measure, H.R. 4946, the Improving Access to Long-Term Care Act. The need for long-term care is expected to grow substantially in the future, straining both public and private resources.

Total spending on long-term care services for people of all ages approached \$138 billion in fiscal year 2000, nearly \$86 billion of which was for public programs. As 77 million baby-boomers approach retirement age, the need to address long-term care becomes ever-more important.

Soaring costs and rising demand for long-term care services could deplete personal savings and exhaust government entitlement programs. It is essential that people are encouraged to plan and take some personal responsibility for their future needs. Therefore, it is my privilege to bring forward this legislation, the Improving Access to Long-Term Care Act of 2002 as a critical first step toward helping in the emerging long-term care crisis.

First of all, this legislation provides immediate tax relief to assist individuals in acquiring and maintaining long-term care for themselves, especially health care, which is so vital, for themselves, their spouses and their dependents.

H.R. 4946 would provide an above-the-line deduction for eligible long-term care insurance premiums. Under current law, individuals may claim an itemized deduction for the cost of eligible qualified long-term care insurance premiums, but only to the extent that such premiums, combined with the taxpayer's additional medical expenses, exceed 7.5 percent of adjusted gross income.

This bill provides an above-the-line deduction for a percentage of eligible long-term care premiums for which the taxpayer pays at least 50 percent of the cost of coverage. The deduction is available for eligible long-term care insurance that covers the taxpayer, the taxpayer's spouse or the taxpayer's dependents.

The deduction is available to individuals with adjusted gross income between \$20,000 and \$40,000, and twice that amount for married couples filing a joint return. This amount will be adjusted annually for inflation. This bill, Mr. Speaker, provides targeted relief for those taxpayers who really need it.

Although financing is the cornerstone of the long-term care issue, we must also look at supporting family caregivers. H.R. 4946 would add an additional personal exemption for home caregivers of family members. This bill provides immediate tax relief to those

taxpayers who assume the responsibility of providing for the care and support of individuals with long-term care needs.

Under current law, individuals are entitled to a personal exemption deduction of \$3,000 in 2002 for the taxpayer, the taxpayer's spouse and each dependent. This bill provides the taxpayer with an additional personal exemption for each qualified family member with long-term needs.

This legislation, Mr. Speaker, has been updated to include additional consumer protections for long-term care insurance policies. A qualified long-term care insurance contract is one that meets certain consumer protection requirements promulgated by the National Association of Insurance Commissioners, or NAIC. This bill updates the consumer protection provisions to reflect changes made to the Long-Term Care Insurance Model Act by the NAIC. Groups that support the addition of the additional consumer protection provisions include AARP, the American Council of Life Insurers and the Health Insurance Association of America.

Mr. Speaker, this legislation also includes other various tax provisions concerning health and health care. First, this legislation includes an orphan drug tax credit that would prevent drug manufacturers from delaying the important process of human clinical testing of orphan drugs until the time of Food and Drug Administration approval. This legislation would add any vaccine administered to prevent hepatitis A to the list of taxable vaccines. Finally, this legislation will provide retirees with additional flexibility in obtaining health care for the retirees and their families by permitting those individuals who have a Medicare+Choice Medical Savings Account to also have an Archer Medical Savings Account and allowing employees to make contributions to an Archer MSA on behalf of a Medicare eligible individual.

Mr. Speaker, our Nation is in dire need of comprehensive long-term care reform. By 2040, the number of Americans 64 and older will more than double. Without long-term care reform, these changing demographics will drive spending for Social Security, Medicare and Medicaid to consume nearly 75 percent of all Federal revenue by the year 2030.

The Improving Access to Long-Term Care Act is a first critical step to focus immediate attention on long-term care before the crisis occurs.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hardly know where to begin. This bill is, at best, unnecessary, and, at worst, it is a wasteful expenditure of \$5.5 billion, which will accomplish very little except add to the repeated Republican program of giving huge benefits to the wealthy and doing very little for the average American.

This bill is designed to turn a bunch of sow's ears into silk purses. The goal of expanding the purchase of long-term care insurance sounds like a positive one, if people really believe that long-term care insurance was any good as offered by the insurance industry today. Very few people are purchasing it. It is a dud in the market.

We are, in this bill, attempting to help or bail out the long-term care insurance industry. But I wonder if that is a wise expenditure of the public's money? We are having trouble finding the money to pay, say, for prescription drugs. Why are we trying to get people to purchase something they do not need?

Mr. Speaker, I believe firmly that we need to do something about the long-term care issue, but we have had precious little debate as to whether private insurance is the right approach. Even if you think it is a good idea to promote the purchase of private long-term care insurance, the real question is whether or not this bill before us today will do any good.

There are, as the distinguished gentleman from Arizona pointed out, three major components to this bill. There is the long-term care tax deduction. It allows individuals with incomes below \$40,000, and actually the full benefit is available for individuals up to \$20,000, and then phases out by \$40,000, it will give them very slowly over 10 years a deduction, and the most value it will provide these people is 7.5 cents on every dollar of long-term care premium they pay.

Now, mind you, you are talking about individuals with \$20,000 worth of income. It is questionable whether those people are even buying life insurance. The average amount of life insurance in this country is less than \$8,000. Why my colleagues on the other side of the aisle think that people who already are under-insured and are young enough to afford this would begin to buy long-term care insurance escapes me.

But let us suppose that the bill works as the Joint Tax Committee has informed us they think it might. In the year 2003, what would happen? Six thousand people would newly purchase long-term care insurance, and, of course, we would spend \$19 million to get them to do that. That is approximately \$3,200 per insured person of your hard-earned taxpayer money to just get these 6,000 people to buy policies, and I am not sure we would all agree that the policies are any good.

It gets better. Why, in 2004, you would get 12,000 people, and it would cost them only \$1,000 that year. But in 2005, you get 18,000 people, and it costs \$7,780 a person. That is more than the premiums.

Now, why are we wasting the taxpayer's money? This is some insurance salesman run amuck and writing a bill, which even the insurance salesmen, if you triple their commissions, they would not get that much money. It is a terribly inefficient way.

The net result is let us get all the way out to 2012, when this turkey is full grown and ready for the table. In 2012, the Joint Tax Committee estimates that 100,000 people will become new purchasers of long-term care insurance at a modest cost of \$561 million. That is \$5,600 a person.

Now, you guys are going to bribe people with \$5,600 to buy long-term care insurance, which most of the people supporting this, I wish they would raise their hands, I do not buy long-term care insurance and I bet none of my Republican colleagues have purchased the long-term care insurance, which is now available through the House of Representatives. That is another turkey. If we are not buying it, why should we be spending the taxpayer's money to encourage the public to buy in?

Now, the bill gets better, of course. We have an additional personal exemption for caregivers. This sounds nice. It allows the taxpayer caring for a chronically ill loved one to get an additional personal exemption to defray some of the cost. It phases in very slowly, starting with a \$500 exemption in 2003 and eventually going to \$2,500. But it mostly benefits wealthy people anyway, because if you do not have any tax liability, this personal exemption does little or nothing for you.

Of course, the third one is the grandfather gobble of all turkeys, and that is Medicare MSAs, which were written into law right after we wrote in Medicare+Choice. This one is so successful that not one, not one company offers them, not one person has ever asked to buy one. They just do not exist. They are zip, zero, nada. This is the turkey of all turkeys.

Then what they are going to do is allow Medicare beneficiaries, people my age, Mr. Speaker, to take \$6,000 a year and deduct it, which nobody else can do, and pop it into an IRA, and save it there and let the income accumulate tax free, and when it is all done, I can spend it on anything I want with no penalties. I do not have to spend it on health care.

It is a new \$6,000 IRA only for us old fogies. Now, if you are trying to encourage my children to save for long-term care, maybe we could do something like that for them. But why give it to me? Long-term care is far too expensive. I should have already saved by now.

So what you have here is a grand campaign scheme which throws away \$5.5 billion of the taxpayer's money on something that is next to worthless, that only benefits insurance companies who have a bankrupt product that they cannot sell.

So here we go again, the Republicans subsidizing large corporations to the disadvantage of the poor and the disadvantage of the taxpayers to accomplish precious little.

The bill will go nowhere. You will see it on campaign statements if it passes muster today. But I hope it does not. It

is useless, it is worthless, and it is a tremendous waste of the taxpayer's money.

Mr. Speaker, I reserve the balance of my time.

Mr. HAYWORTH. Mr. Speaker, I yield myself 30 seconds.

The question comes from the gentleman from California in a very interesting fashion in terms of public policy, why do this? Well, I think it is worth noting that in fiscal year 2000 Medicare and Medicaid provided \$82.1 billion, 60 percent of the money spent, of the \$123 billion, spent on long-term care services.

□ 1215

We have a basic question here. If we do not put incentives in for individuals, our public resources will be depleted. It is in that spirit that we offer the legislation.

Mr. HAYWORTH. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I stand here in strong support of legislation that is pro-family and pro-senior, legislation that will help families struggling to find long-term care needs.

Mr. Speaker, if we look at the statistics, only 10 percent of Americans today have long-term care insurance, what some of us would call nursing home insurance. Many would suggest, well, do not worry about it right now; just, when the time comes if you need nursing home care, somebody else will pick up the tab. Well, we have learned how expensive nursing home care is for an average family. When we think about it, one could be a 16-year-old in a motorcycle accident and require long-term care if that tragedy were to occur.

This is good legislation. I commend the gentleman from Arizona (Mr. HAYWORTH) for stepping forward to offer a solution that will help families and provide an incentive to purchase long-term care insurance.

It is an above-the-line deduction for eligible, long-term care insurance premiums. When we think about it, this legislation is targeted to moderate and middle income families, individuals between the income levels, adjusted gross income level of \$20,000 to \$40,000, or if you are married, twice that. There is no marriage penalty here; all will be eligible for this above-the-line deduction. It helps the middle class, those who struggle the most. Because if you are poor, Medicaid picks up the tab; if you are rich, you can afford it. It is the middle class that struggles the most with nursing home care costs.

I also want to commend the gentleman from Arizona (Mr. HAYWORTH) for including in this legislation help for those families who take care of mom or dad or a loved one at home. We receive a \$3,000 personal exemption for our dependents and spouses under our

Tax Code today. Well, this legislation creates a new one. If you have a parent living at home or someone, a loved one that is at home who requires long-term care needs and you are taking care of that family member at home, you get a personal exemption which, once phased in, will equal \$2,500. That is leadership, and that is helping families, particularly middle and moderate-income families who some day will be seniors.

Mr. STARK. Mr. Speaker, I am pleased to yield 4 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I want to talk, first of all, a little bit about long-term care and what it means to folks in and around. One reason was mentioned just about nursing home care, but there are other reasons for long-term care. We are talking about home health care, we are talking about people that might want assisted living, areas that many of our seniors are moving in those directions today. We always want to think that we give them the best quality.

So over the years, the Congress has talked about this issue. We also, in the last year or so, were able to pass on to retirees from the Federal Government, as well as Federal employees that are now serving, the ability to buy long-term care. It just seems to me that in some ways, we need to be starting to work with those folks that are 44, 50 years old, so they can start looking at ways to plan for their retirement, and so that they are not dependent on their families for the cost of this. Because that has a negative effect on the families that they are trying to put through college or that they are trying to help to buy their first home, or to do the things that all of us want to be able to do for our families without burdening them with us, who might end up needing some long-term care.

In saying all of that, I also want to say that I am a little concerned that we did not look at a bill that the gentlewoman from Connecticut (Mrs. JOHNSON) and the gentleman from North Dakota (Mr. POMEROY) and myself have worked on, which was H.R. 831 which, quite frankly, I think does a little bit more and would improve the Hayworth bill.

First of all, it would, in fact, look at instead of the deduction by 2012, we could have actually looked at maybe a possibility of bringing to a 100 percent tax deductible, and particularly for those people at 50 years old, because we need to be encouraging them to buy this. That would have been an excellent place, I think, for us to begin.

The other area, for those that have chosen to keep a loved one at home and that have to take off from work or need to provide somebody to come in to give them the tax credit, I think ours was a little bit more generous with that.

But I would say that I would like to thank the gentleman from Arizona

(Mr. HAYWORTH) and others for taking our suggestions during the markup, because we had worked so hard on this piece of legislation that we also knew that there needed to be consumer protections, which in my understanding now has been added to this particular piece of legislation. These consumer protection provisions would apply to all people purchasing long-term care insurance policies, which is good and, among other things, these protections help to keep people from losing their policies. That is big, because we have seen over the course of the last couple of years that we have out-priced policies, that there were no consumer protections. So by adding in this protection, we hope that it will help them from losing their policies and being out-priced in the market or, just at the time that folks might need this, all of a sudden their premiums jump so high that they have the inability to pay for it, so all of the time they have been purchasing this, they no longer have use of it because they cannot pay the premium.

I think that the gentleman from North Dakota (Mr. POMEROY), because of his background, will talk more about, I hope I am right, on some of the issues that he has dealt with on suitability standards that he has so much knowledge about and has worked with for so many years in his own State of North Dakota.

While I would say that I do not think the Hayworth bill is perfect, I do think it gives us a first step to bringing down the cost of long-term care insurance for people, but I hope that we can look at the other bills that are out there.

Mr. HAYWORTH. Mr. Speaker, I yield myself 30 seconds to thank the gentlewoman for her well-intentioned critique and also the work that she has done on a bipartisan basis with the gentlewoman from Connecticut (Mrs. JOHNSON).

A couple of points I would make, first of all, based on some of the work we did in committee. Just to amplify again, we included in this legislation the consumer protections. The language is directly from the bipartisan bill H.R. 831, just to amplify that fact, so we tried to work in a constructive way, and we will continue to work in that constructive fashion. Given the budget parameters that we face, the bill advocated by the gentlewoman from Florida is six times the cost of this bill, so while this bill is a first step, it fits into some budgetary parameters and realities in which we had to deal.

Mr. HAYWORTH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY) to discuss another important provision of this legislation.

Mr. BRADY of Texas. Mr. Speaker, I rise today in support of H.R. 4946. I want to commend the gentleman from Arizona (Mr. HAYWORTH) from the Committee on Ways and Means for introducing this very important legislation.

This will provide immediate tax relief to assist individuals in getting, and

in keeping, long-term health care for themselves, for their parents, and for their dependents. I am pleased, too, that this bill incorporates legislation that I introduced, the Orphan Drug Tax Credit Act of 2001.

Orphan drugs are drugs that address rare diseases, those which do not have large populations, but that are very serious. The act has really worked well getting these new drugs to the marketplace, but a glitch has developed that we want to correct. Delays in the designation process unfortunately stop drugs for about 6 months to a year from coming to the market, and that means we are not able to help the approximately 20 million Americans who suffer from more than 5,000 different rare diseases such as Lou Gehrig's, cerebral palsy, cystic fibrosis, pulmonary hypertension, and Huntington's disease, for example. This legislation merely removes that timing problem, and allows the tax credit to be taken from the time they apply.

Our goal here is to get more of these drugs and therapies into the hands of patients in a safe and quick and more affordable manner. We do that by eliminating unnecessary delays and costs, encouraging biotechnology and pharmaceutical companies to research, to develop, and to manufacture these drugs, even though the market for them may be relatively small. Without continued research into orphan drugs, people with rare diseases will not see the medical breakthroughs the patients with more common diseases may enjoy.

Mr. Speaker, I support this legislation. It is endorsed by the Biotechnology Institute and a number of patient groups with the rare diseases. I appreciate the leadership of the gentleman from Arizona (Mr. HAYWORTH) and the Committee on Ways and Means in bringing this legislation forward.

Mr. STARK. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time. I applaud the gentleman from Arizona (Mr. HAYWORTH) for his attention to the issue of long-term care. There is no doubt we need to do something about this issue.

Currently, some 5.2 million Americans over the age of 65 and 4.6 million Americans under the age of 65 need assistance with daily activities. The increased life expectancy of the baby boomer generation will increase this need for long-term care. A man aged 65 today can expect to live another 15 years, and a woman aged 65 can expect to live another 19 years.

But the cost of long-term care insurance can be prohibitive. The cost of long-term care insurance varies dramatically, according to the age of the consumer. On average, a basic plan premium can cost a 50-year-old \$385 annually; \$1,007 annually for a 65-year old; \$4,100 for a 79-year old, if they can find the coverage.

Now, some of us worked to begin this approach at trying to tax and encourage long-term care insurance and, under HIPAA, individuals can deduct long-term care premiums, but only if the taxpayer itemizes deductions and that medical cost that exceeds 7.5 percent of adjusted gross income.

We had sought in a bipartisan way to expand upon this with H.R. 831, creating an above-the-line deduction for long-term care. I joined the gentleman from Connecticut (Mrs. JOHNSON), the gentleman from Louisiana (Mr. MCCRERY), and the gentlewoman from Florida (Mrs. THURMAN) in sponsoring that legislation. I am very disappointed that budget constraints do not allow us to move on that legislation, because I believe that would have been much more significant in providing relief to those that accept the responsibility to insure themselves against the cost of long-term care.

The bill before us does not do a lot. I do not mean in any way to impugn the dedication of the sponsor to this topic. It is a feature of budget. But I used to prosecute insurance agents as insurance commissioner that overstated what they had in the policy, and to make it absolutely clear that we are not overstating on this legislation, I want to spell out what the bill does and does not do.

Well, it gradually phases in a personal exemption for caregivers and for long-term care insurance, but it is phased in very slowly and, when fully phased in, does not produce a lot of benefit. The Center on Budget and Policy Priorities estimates that at full implementation in the year 2012, most eligible taxpayers will defray no more than 5 to 7.5 cents of each dollar spent out of pocket for coverage. While it is phasing into the years 2003 and 2005, you have 2.5 cents per dollar to 3.75 cents per dollar incentive. We are not going to achieve much in terms of generating new interest in the market for long-term care insurance with this very de minimis new incentive.

Now, I am pleased that the sponsor of the legislation did incorporate the consumer protection standards that have been developed by State insurance regulators. I chaired the first National Association of Insurance Commissioners Committee to develop these minimum standards, and they have been enhanced over the years. I am particularly concerned about suitability and that these policies not be sold to people that may have very modest amounts of income and are actually relatively near Medicaid eligibility. These individuals historically have been shown not to be able to keep their coverage in force, lapse their coverage, and basically end up poorer than when they started with nothing held by way of protection for long-term care expenses.

I also take some criticism of the way the personal exemption for at-home care has been provided. In our initial legislation, we had sought a tax credit for long-term care for at-home cost of

providing care. The tax exemption as figured in this legislation means the more you have by way of resources, the more you have by way of taxable income, the more you get back by way of benefit.

□ 1230

Well, the costs of providing care actually hit harder on those that do not have the income. It is more manageable by those that do have the income. So it is not sound policy to construct a benefit that gives a lot more benefit to those with income and a lot less benefit to those without. Those without income, those without resources yet struggling to provide the care to a loved one in their home need more help, and this is exactly the wrong approach.

I have struggled with whether to support this bill or not. I do not know whether it is a baby step forward, in which case I would vote for it, or a side track, basically diverting the political pressure for doing more on incenting long-term care insurance or a side track down the road to nowhere. In the end I decided to say, very marginally worthwhile baby step, and I will vote for it without much enthusiasm.

Mr. HAYWORTH. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, talk about faint praise. It is interesting to hear my colleague from North Dakota. Let me address, amidst all the rhetoric, a couple of concerns because it bears amplification in a bipartisan way, mindful of the gentleman's experience in the insurance industry. Precisely because of the concerns he shared with this body on suitability, precisely because of some of the challenges confronted, we specifically added the consumer protections offered in the Johnson bill. Specifically, section 24 of model regulation that deals precisely with the question of suitability.

Now, undergirding all of this is the notion, Mr. Speaker, that the House has already put in place an incremental approach to long-term health care policy and insurance. One of the challenges we confront in a legislative body in a very real way is how to capture the ideal and move something that is real. With *carte blanche*, with a blank check certainly we could have embraced a bill six times more costly; and I champion the provisions, but the challenge we face is fitting this in to budget parameters. Again, the question comes up, who will this benefit?

I would point out that a married couple filing jointly would find the economics of this to be between \$40,000 and \$80,000 a year. Not an inconsiderable sum.

Mr. Speaker, we all know of families who fit within those parameters. I shared in committee my aunt and uncle, my cousin with Down syndrome. They fit precisely into this frame work. So I do not think we get anywhere by characterizing side steps, small steps. The fact is, Mr. Speaker,

we will take a positive step forward with approval of this legislation.

Mr. STARK. Mr. Speaker, how much time remains?

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman from California (Mr. STARK) has 2½ minutes remaining. The gentleman from Arizona (Mr. HAYWORTH) has 7 minutes remaining.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, let me thank the gentleman from California (Mr. STARK) for recognizing me for a short time.

This bill was before the Committee on Ways and Means a short time ago. And after listening to the debate, I come down on the same side as my colleague from Florida (Mrs. THURMAN), who indicates that the long-term care insurance is something that I think we should not only consider but also encourage. We find that the population in the country is living longer. We also find that long-term care is something that many people are going to be in need of, and so to encourage people today where they can get a premium rate that is somewhat reasonable versus waiting until you are 55 or 60 years old is something this Congress should be involved in.

The other provision of the bill deals with the personal exemption to those who provide home care to dependents. Again, we should thank and encourage these people to stay home. The option is to put your relative in a nursing home or assisted living which will cost much more.

The thing I think is not a fatal flaw in the bill, but one is kind of like a turkey as referred to by the gentleman from California (Mr. STARK), that is the MSAs for Medicare+Choice. We tried this failed policy before with the general population. We found that the only people buying MSAs were doctors and attorneys; and to now subject the Medicare+Choice elderly to an MSA is ridiculous. They are the ones who need not only the Medicare program, a supplemental, but also a drug benefit.

It is not fatal. I will be supporting the bill, but it is bad policy.

Mr. STARK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I continue to suggest that this is a waste of money. Three and a half million or more people have long-term care, they will get no benefit from this. In its final year we will spend \$561 million to get 100,000 people more in. That is a marginal benefit.

If we really wanted to have long-term care, we might redesign a Federal program much like Social Security that people would like, they could afford. It is a social insurance program; and as it is with MSAs and with Medicare+Choice, these are failed programs. They are not working. Companies that issue them are going broke. People are not signing up. Why we continue to beat these dead horses and

waste good taxpayers' money year after year escapes me.

I would hope we could come back. We recognize that there is a problem. Let us solve it in a way that is more than campaign rhetoric. Let us solve it with a program that does the job for all Americans regardless of their income, and then we can be proud of our work.

Mr. Speaker, I yield back the balance of my time.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank you for this debate; and it does point up some basic differences that exist between the gentleman from California (Mr. STARK) and many of us on the majority side. It is interesting to hear the call for nationalized insurance, and certainly that is one philosophical point of view that one can offer here.

I think it is important not to lose sight of our goal. Indeed, this House has acted in incremental fashion before to put in place long-term care insurance. Indeed, already close to 5.5 million Americans have these policies. We expect them to grow in short time to 11.5 million Americans. That is a significant portion of our population. And we need to offer an opportunity for this to grow even larger because the question comes, who will be responsible as our society continues to age? Will we see up to 75 percent of funds coming into the government dealing with questions of health and old age for the American populace? Or commensurate with our national heritage and our primary philosophy in this country, does it not make sense to provide for self-sufficiency? The challenge has been noted. Budgetary restraints have kept us from the ideal, but we deal with the real here today.

While we thank those who, on a bipartisan basis, have offered a long-term care model, this legislation is substantially less in cost, but can have a pronounced impact for working Americans in need of relief of long-term care and the ability to take advantage of these policies. Mindful of the critiques offered in committee, we reached out in this legislation incorporating the consumer protection language offered in a previous bill, in H.R. 831, and so we have been mindful of that and we will continue to work where we have the ability to expand this further as we deal with what may be contemplated in the other body. But, again, this is an important step. This House dare not ignore this or spurn this because we will send the wrong message to the American people if we choose to do this.

So, Mr. Speaker, I invite you to join me in bipartisan support of H.R. 4946; and with this long-term care bill, we can take another important step forward.

Mr. BENTSEN. Mr. Speaker, I rise today in strong support of H.R. 4946, Improving Access to Long Term Care Act. As an original cosponsor of similar legislation, I am pleased that the House of Representatives is today

considering legislation to improve the lives of long term care patients and their families.

Under this bill, individuals would be permitted to deduct a percentage of their long term care expenses depending on their income. This income tax deduction would be available for both individuals and married couples. Under this bill, individuals and married couples could deduct an above-the-line deduction of 25 percent beginning in 2003. This deduction would increase to 50 percent of the cost of these plans by 2011. In order to protect taxpayers, this tax deduction is limited to moderate and low income families. The deduction would be available for those individual taxpayers whose adjusted gross income is between \$20,000 and \$40,000 and the deduction would be available for married couples whose adjusted gross income is between \$40,000 and \$80,000 annually. The value of the deduction would be indexed for inflation so that as the cost of these premiums increase, the deduction would also increase. The Joint Committee on Taxation has estimated that this provision will cost \$648 million over five years.

I strongly believe that we must provide incentives to encourage all Americans to purchase long term care insurance plans. Under current law, both individuals and married couples can deduct the cost of these premiums from their adjusted gross income if these expenses exceed 7.5 percent of adjusted gross income. As a result of this limitation, many Americans do not currently purchase these insurance plans. With the average cost of at least \$50,000 per year for long term care services, many Americans are not financially prepared to pay for the cost of the long term care services. As the number of Americans who are reaching retirement age climbs, there will be more need to provide such coverage. In addition, it is better to encourage Americans to purchase long term care plans when they are healthy and younger. Because long term insurance plan premiums are risk-based, it is better to encourage individuals and families to purchase such insurance when their premiums are more affordable.

Another important provision in this measure would provide a new personal tax exemption for home care givers of long term care patients. In a time when many families make personal sacrifices in order to keep their loved ones at home, we should be helping these families to cope with the financial burden for such home-based care. Under the bill, a taxpayer who is a care giver for a loved one would be eligible for a personal tax exemption of \$500 beginning in 2003 and increasing by \$500 every two years until it reaches \$2000 in 2010. This tax exemption would be available for individuals whose adjusted gross income is less than \$137,300 and would be available for married couples whose adjusted gross income is less than \$206,000 annually. In order to encourage all Americans to use these exemptions, the cap of these exemptions would be repealed in 2010. The Joint Tax Committee estimates that this provision will save families \$787 million over five years. It is my hope that this exemption will help many caregivers who choose to care for their families in their own homes, rather than the more expensive institution-based care of nursing homes and long term facilities.

I believe we must encourage families to purchase long term care insurance. Without such incentives, the federal government will face a

crisis in the future as more Americans need long term care services. This bill is an important first step in our effort to making long term care insurance plans more affordable and accessible.

Mr. SPRATT. Mr. Speaker, few would question the goals of H.R. 4946. Most of us see the need to provide assistance to those burdened by the costs of long-term care. However, once again we are approaching an issue with fiscal impact in a vacuum, without a plan to guide us.

Republicans claim that this bill is consistent with their budget resolution, because the reso-

lution provided for some tax relief. But the House has already adopted tax bills totaling \$43.145 billion through fiscal year 2007. The 2003 budget resolution provided for only \$27.853 billion over five years. Attached is a table compiled by the House Budget Committee Democratic staff that documents these figures.

There is no room for these tax cuts under the fiscal plan that is supposed to be our guide. Either these tax cuts are not real, and we are passing tax bills that will never become law; or the 2003 House Republican budget is not real, and we are about to tax cut our way

even deeper into deficit, and spend even more of the Social Security Trust Fund surplus.

We continue to consider legislation without any coherent Republican budget plan. The Republicans claim that their budget provides tight fiscal management. But then the Republican leadership again and again schedules legislation that violates their own budget.

Mr. Speaker, as we speak, we are sliding deep into deficit. It is time for all of us to sit down together and hammer out a real budget that saves Social Security, pays down the debt, and protects national priorities.

COSTS OF TAX BILLS PASSED BY THE HOUSE THUS FAR

Title	2002-2007	2002-2012	Bill No.	Status
Clergy Housing Clarification Act	-0.007	-0.033	H.R. 4156	Enacted into Law.
Energy Tax Policy Act	22.759	33.521	H.R. 4	Passed the House.
Encouraging Work and Supporting Marriage Act	0.907	0.908	H.R. 4626	Passed the House.
Expansion of Adoption Benefits	0.000	0.401	H.R. 4800	Passed the House.
Holocaust Restitution Tax Fairness Act	0.000	0.003	H.R. 4823	Passed the House.
Marriage Penalty Tax Bill	0.000	42.000	H.R. 4019	Passed the House.
Retirement Savings Security Act	0.000	6.105	H.R. 4931	Passed the House.
Armed Forces Tax Fairness Act	0.069	0.156	H.R. 5063	Passed the House.
Pension Security Act	10.440	24.615	H.R. 3762	Passed the House.
Tax Relief Guarantee Act	8.977	373.712	H.R. 586	Passed the House.
Grand total	43.145	481.388		
Concurrent Resolution on the Budget	27.853	N.A.	H. Con. Res. 353	
Available	-15.292	-481.388		
Improving Access to Long-Term Care Act	1.501	5.487	H.R. 4946	On the Floor.

Mr. SHAYS. Mr. Speaker, I rise in strong support of H.R. 4946, the Improving Access to Long-Term Care Act.

H.R. 4946 phases in tax deductions for individuals who pay 50 percent of their long-term care costs. The deduction can be used for the taxpayer, a spouse or a dependent. The challenge of caring for a loved one over years and, in some cases, decades can literally break families apart and exhaust a lifetime of savings. Many families do not use private long-term care insurance to help protect against financial and emotional strain. I am a strong advocate for making private long-term care more affordable and support providing incentives—including tax deductions—for the purchase of private long-term care insurance.

Under the current system Medicare doesn't pay for long term care and seniors are forced to "spend down" their assets to qualify for Medicaid, which provides \$33 billion in long term care services each year. This has serious financial repercussions for retirees and taxpayers who pay for long term care assistance through public programs.

As the Baby Boom generation retires, the financial burden will consume more of the public resources. In the coming decade, people over age 65 will represent up to 20 percent or more of the population, and the proportion of the population composed of individuals who are over age 85, who are most likely to be in need of long-term care, may double or triple.

I urge my colleagues to vote for this crucial legislation.

Mr. HAYWORTH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. HAYWORTH) that the House suspend the rules and pass the bill, H.R. 4946, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. HAYWORTH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HAYWORTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4946, the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

NATIONAL AVIATION CAPACITY EXPANSION ACT OF 2002

Mr. MICA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3479) to expand aviation capacity in the Chicago area, as amended.

The Clerk read as follows:

H.R. 3479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NATIONAL AVIATION CAPACITY EXPANSION

SEC. 101. SHORT TITLE.

This title may be cited as the "National Aviation Capacity Expansion Act of 2002".

SEC. 102. FINDINGS.

Congress finds the following:

(1) O'Hare International Airport consistently ranks as the Nation's first or second busiest airport with nearly 34,000,000 annual passengers enplanements, almost all of whom travel in inter-state or foreign commerce. The Federal Aviation Administration's most recent data, compiled in the Airport Capacity Benchmark Report 2001, projects demand at O'Hare to grow by 18 percent over the next decade. O'Hare handles 72,100,000 passengers annually, compared

with 64,600,000 at London Heathrow International Airport, Europe's busiest airport, and 36,700,000 at Kimpo International Airport, Korea's busiest airport, 7,400,000 at Narita International Airport, Japan's busiest airport, 23,700,000 at Kingsford-Smith International Airport, Australia's busiest airport, and 6,200,000 at Ezeiza International Airport, Argentina's busiest airport, as well as South America's busiest airport.

(2) The Airport Capacity Benchmark Report 2001 ranks O'Hare as the third most delayed airport in the United States. Overall, slightly more than 6 percent of all flights at O'Hare are delayed significantly (more than 15 minutes). On good weather days, scheduled traffic is at or above capacity for 3½ hours of the day with about 2 percent of flights at O'Hare delayed significantly. In adverse weather, capacity is lower and scheduled traffic exceeds capacity for 8 hours of the day, with about 12 percent of the flights delayed.

(3) The city of Chicago, Illinois, which owns and operates O'Hare, has been unable to pursue projects to increase the operating capability of O'Hare runways and thereby reduce delays because the city of Chicago and the State of Illinois have been unable for more than 20 years to agree on a plan for runway reconfiguration and development. State law states that such projects at O'Hare require State approval.

(4) On December 5, 2001, the Governor of Illinois and the Mayor of Chicago reached an agreement to allow the city to go forward with a proposed capacity enhancement project for O'Hare which involves redesign of the airport's runway configuration.

(5) In furtherance of such agreement, the city, with approval of the State, applied for and received a master-planning grant from the Federal Aviation Administration for the capacity enhancement project.

(6) The agreement between the city and the State is not binding on future Governors of Illinois.

(7) Future Governors of Illinois could stop the O'Hare capacity enhancement project by refusing to issue a certificate required for such project under the Illinois Aeronautics Act, or by refusing to submit airport improvement grant requests for the project, or by improperly administering the State implementation plan process under the Clean