many chronic diseases that affect Medicare beneficiaries, including . . . hypertension, heart failure, diabetes, and chronic renal insufficiency.''

I urge my colleagues who have not yet cosponsored this bipartisan, sound health policy proposal to join us in this effort.

PERSONAL EXPLANATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. OBERSTAR. Mr. Speaker, the House of Representatives considered several bills under suspension of the rules yesterday and my vote was not recorded on those measures.

Had I been present, I would have voted ''aye'' on rollcall vote 50, rollcall vote 51, and rollcall Vote 52.

JAMES FRANCIS HOMAN

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize James Francis Homan, a very special young man who has exemplified the finest qualities of citizenship and leadership by taking an active part in the Boy Scouts of America, Troop 312, and in earning the most prestigious award of Eagle Scout.

James has been very active with his troop, participating in such Scout activities as the Roe Bartle Scout Reservation. Over the 11 years he has been involved in Scouting, he has held numerous leadership positions, serving as Camp Senior Patrol Leader, Patrol Leader, Assistant Patrol Leader, Quartermaster, and Instructor. James also has been honored for his numerous Scouting achievements with the award of the Firebuilder in the tribe of Mic–O–Say award. Additionally, he has earned 34 merit badges during his years in Scouting.

For his Eagle Scout project, James converted and old pastor's study/storage room into a prayer chapel at Ascension Lutheran Church. He enlisted the services of families, fellow Scouts and members of his congregation to clean the windows, paint and refurbish the room.

Mr. Speaker, I proudly ask you to join me in commending James Francis Homan for his accomplishments with the Boy Scouts of America and for his efforts put forth in achieving the highest distinction of Eagle Scout.

PAYING TRIBUTE TO: UNITED WAY OF PUEBLO COUNTY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. McINNIS. Mr. Speaker, it is with great pride that I rise today to recognize the United Way of Pueblo County, Colorado. The United Way has been serving Pueblo County for eighty years, providing a central resource for donations to support an array of critical community services. It is my honor to commend the Pueblo United Way's long record of success before this body of Congress and this nation.

The United Way organization came to Pueblo in 1923 when community leaders raised $105,000 by knocking on neighbors' doors. Though this effort went through many name changes, it always pursued the same mission: creating a central community fund to support community services. Today, the Pueblo County United Way is an autonomous organization that can focus its resources on the specialized needs of Pueblo County. It relies on hundreds of dedicated volunteers to raise money and keep administration costs low.

Over the years, the UWPC has raised over $31 million with its fundraising campaigns for its nineteen partner agencies including the American Red Cross, Pueblo Community Health Center, Salvation Army, and the YWCA. Other United Way partner agencies focus on youth development, providing basic food and shelter, and addressing the problems of domestic abuse. In addition, Pueblo United Way administers an endowment gift from the El Pomar Foundation and FEMA funds from the federal government to assist in emergencies.

Mr. Speaker, the United Way makes every dollar count for the citizens of Pueblo County. Thanks to the United Way, thousands of Coloradans have benefited from the generosity of their neighbors, and thousands more have known the joy of giving. It is my great pleasure to honor their eighty years of success here today. Congratulations, and may the United Way continue to serve Pueblo County long into the future!

HONORING A DEDICATED PUBLIC SERVANT, MS. DIANN CONDREY

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. BONNER. Mr. Speaker, there are many unsung heroes who work day and night, week after week, month after month, to support the operation of the United States Congress. Most of these dedicated people labor outside of the spotlight—away from the glamour that is often associated with public service—but their work insures that our work can be done. One such dedicated public servant, Ms. Diann Condrey, will conclude her distinguished tenure on Capitol Hill this month and I rise tonight to salute Diann for her untiring loyalty and service.

Diann began her government career as a high school student in 1968 when she began working with the Department of Defense during the Vietnam war. At that time Diann's salary was a meager $3,776 a year.

Diann spent the next 16 years working for the Army and Navy originally as a Management assistant and later as a computer specialist and project manager. In 1992, she took a position with the United States House of Representatives as a committee consultant providing computer support services to committees and to leadership offices. In 2000, she became the team leader responsible for training newly hired TSRs.

During my staff days on the Hill, I worked with Diann on a regular basis and got to know her very well. She has been a great asset to our Hill community. Her understanding of often complicated programs was always met with passion for helping her clients understand how to best implement the rapidly changing advances made in computers and technology.

Mr. Speaker, I proudly ask you and my colleagues to join me in honoring Ms. Diann Condrey for her many years of commitment to her Nation through her continued service and employment with the United States. I wish Diann the best of luck in her retirement and always.

THE MEDICARE Rx DRUG BENEFIT AND DISCOUNT ACT OF 2003

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Ms. SCHAKOWSKY. Mr. Speaker, last week, President Bush announced his prescription drug proposal for Medicare beneficiaries. Rather than using this opportunity to promote a quality drug benefit that would be dependable and guaranteed for seniors and persons with disabilities on Medicare, the President instead announced his intention to provide a financial benefit to pharmaceutical and insurance companies. By pushing seniors into HMOs—the path to Medicare privatization—and doing nothing to lower drug prices, the Bush policy would enrich industry instead of reducing the financial burden on beneficiaries.

Fortunately, an alternative plan, tailored to meet the needs of Medicare beneficiaries, would provide a comprehensive benefit that is both affordable and guaranteed. I support that plan, outlined by Leader NANCY PELOSI, Whip STENY HOYER, and Representatives DINGELL, RANGEL and others, because it puts the needs of Medicare beneficiaries first.

There is no benefit specified in the President's proposal. President Bush proposes that seniors enrolled in the traditional fee-for-service Medicare program would be eligible for catastrophic loss coverage, a discount drug card, and a $600 subsidy for those in the lowest income bracket. We don't know how much the catastrophic limit would be—$5,000, $7,000, or more. A drug card and a requirement that you spend thousands and thousands of dollars out-of-pocket is not a benefit.

There are several major problems with the President's proposal.

First, a catastrophic-only benefit will help very few beneficiaries. The average Medicare beneficiary spends $2,500 a year for prescription drugs, meaning that they would get no benefit. For example, if the cap for catastrophic coverage is set at $6,000, it would only cover 8 percent of Medicare beneficiaries. This enormous out-of-pocket expense is on top of existing Medicare cost-sharing requirements, which are already high.

Second, the Bush administration continues to promote drug cards, even when evidence shows the cards provide little assistance. Seniors would purchase the card for approximately $25 and then receive only 10 percent to 15 percent off their prescription drugs. In other words, an average beneficiary with $2,500 in drug bills would pay $2,125 to

$2,250 under the Bush plan. In contrast, drug companies receive about $25 per person, per year from any number of the over 40 million current Medicare beneficiaries. Drug cards are marketed by private companies, and herein lies the true motivation to promote them.

Not only do the cards provide a financial windfall for private companies, but they fail to offer meaningful assistance to Medicare beneficiaries. Even with the card, there is no guarantee that needed prescription drugs would be covered. Likely, drugs would have to be on a pre-approved list to be covered.

Third, a $600 subsidy for Medicare recipients who are living at the poverty level is simply inadequate. Low-income elderly and disabled persons do not have the resources to purchase their medicine. Too often, they are forced to skip taking their necessary prescription because they can't afford it. President Bush's plan would offer the poorest Medicare beneficiaries a way to get $600 more worth of medicine, but unless they are eligible for Medicaid, they are still left to pay the rest of their costs on their own.

Catastrophic coverage, discount cards, and a possible subsidy constitute the extent of the President's plan unless beneficiaries move out of the traditional Medicare program and into a private plan, such as a PPO or HMO. Currently 89 percent of Medicare's beneficiaries are enrolled in the traditional fee-for-service program where they can choose their physician. President Bush is effectively pushing them out of that program and into a private plan, where they would supposedly receive an actual drug benefit. However, the details of the actual drug benefit—the premium level, cost-sharing requirements, and value of the benefit itself—are not delineated in the President's proposal. The lack of detail present throughout the proposal is extremely disconcerting.

Medicare+Choice is a haunting reminder of how private plans under Medicare can leave beneficiaries without choice, benefits, and providers. The plans not only lowered benefits and raised cost-sharing, but in many places pulled out of the market altogether. The drug benefit that Medicare+Choice initially offered has since largely dissipated. In 1999, only 11 percent of Medicare+Choice enrollees had a drug cap of $500 or less, meaning that plan would only cover up to $500 of drug costs. By 2002, that percentage exploded, leaving 50 percent of enrollees with a drug cap of less than $500. Since 1999, 2.4 million beneficiaries have been dropped from the Medicare+Choice program completely. In over 30 years, the Medicare program has never dropped a beneficiary from coverage.

The Administration wants to use the drug benefit as a carrot to lure beneficiaries into private plans. This forces elderly and disabled populations to choose between doctors they know and trust and the medications they know they need. We are not fooled by what the administration is doing. They have no intention of offering a drug benefit to Medicare recipients. The reason why President Bush is pushing this approach is because he is attempting to privatize the entire Medicare program.

It is imperative that we critically examine the risks involved in pushing beneficiaries into private plans, even though the list of concerns is long and daunting. Private insurance plans are inherently risky and unstable. Covered benefits would vary from plan to plan, from state to state, from one year to the next—leaving millions of beneficiaries with unstable coverage, if any at all. Private insurance plans are not available in every city or state, can drop coverage at any time, occasionally go bankrupt, and can be taken over by other HMOs that later change the rules. Under Medicare, the same basic package is available everywhere.

In addition to reducing benefits, private plans could raise premiums, increase copayments, restrict formularies, and limit choice of doctors or pharmacies in order to offset costs. Between 2001 and 2002, average monthly premiums increased 40 percent for Medicare+Choice enrollees. Enrollees in these plans have also been subjected to rising copayments for both generic and prescription drugs. Private plans can restrict formularies thereby dictating and restricting covered drugs. In fact, some private plans have completely eliminated coverage of brand-name prescription drugs. This is especially troubling, considering that of the 50 drugs the elderly most commonly use, 40 are brandname drugs, and only eight of these are available in a generic version. Private plans restrict beneficiaries to those doctors or pharmacies included in a particular plan. Even though the elderly and persons with disabilities often choose their physicians or their pharmacies based on nearness and accessibility, private plans would not take this into account.

I am not willing to compromise the health and well-being of senior citizens and people with disabilities so that private companies can get rich. Medicare beneficiaries deserve a real and substantive drug benefit regardless of the Medicare plan they are enrolled in. For those reasons, I support the House Democratic prescription drug proposal, the Medicare Rx Drug benefit and Discount Act of 2003.

The House Democratic proposal adds a new Part D in Medicare that provides voluntary prescription drug coverage for all Medicare beneficiaries beginning in 2006. Those wanting the benefit would pay a $25 monthly premium and a $100 deductible for drug coverage. Medicare would pay 80 percent of drug costs, 100 percent after beneficiaries spent $2000 out of their own pockets on prescriptions. Full coverage of premiums and assistance would be provided for persons with incomes below 150 percent of poverty and sliding scale premiums would be in effect for those persons between 150 percent and 175 percent of the poverty level.

Under the Democratic proposal, strong measures will be implemented to keep drug-prices down. First, the Secretary of Health and Human Services (HHS) would use the collective bargaining clout of more than 40 million Medicare beneficiaries to negotiate fair drug prices. Second, drug companies will be prevented from extending patents that allow them to use their monopoly power to block competition and keep prices artificially high.

The Medicare Rx Drug Benefit and Discount Act of 2003 offers a real benefit to Medicare beneficiaries as opposed to drug companies. Bush's proposal is served up as a gift to drug and insurance companies that have financed Republican elections and agendas. If the President has his way, insurance and drug companies will profit, but millions of Medicare beneficiaries will still lack affordable, comprehensive coverage.

FORMER INSURANCE AGENTS TAX EQUITY ACT OF 2003

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. RYAN of Wisconsin. Mr. Speaker, I come to the floor today with my colleagues Congressman JERRY WELLER, Congressman JERRY KLECZKA, Congressman TOM PETRI, Congressman MARK GREEN, and Congresswoman TAMMY BALDWIN, to introduce the Former Insurance Agents Tax Equity Act of 2003, a bill designed to correct a minor oversight in the Taxpayer Relief Act of 1997. This legislation will help ensure that certain retired insurance agents are not unfairly subjected to self-employment tax. It will bring consistency and fairness to the tax treatment of similarly situated former insurance agents.

Under current law, a small number of agents are forced to pay self-employment taxes on their retirement payments, while their peers at other insurance companies do not. This is because a change in the Taxpayers Relief Act of 1997 (TRA) was drafted in a way that unintentionally excluded a small group of agents.

In the TRA, Congress enacted a provision designed to clarify that certain termination payments received by valued, long-term former insurance agents should be exempt from self-employment tax. Unfortunately, the changes in 1997 provided clarification for most agents, but not others, as a result of how certain insurance companies structure their agent agreements.

As enacted, the 1997 provision provides that payments to a retired agent are exempt from self-employment tax when the agent's eligibility is tied to length of service, but not when the actual amounts of the payments are tied to the agent's length of service. Simply put, this is a distinction without a difference. There is no reason to provide different tax treatment for arrangements that are so similar just because the sum of an agent's termination payment is determined by varying the amount of compensation rather than the term of compensation.

Hard-working agents whose payments are tied to their length of service deserve the same fair treatment accorded to their counterparts at other insurance companies. Both types of contract seek to satisfy the same goal of rewarding loyal, long-time agents with more generous retirement payments. All of these payments, of course, continue to be subjected to income taxes.

The Former Insurance Agents Tax Equity Act of 2003 would simply strike language in the Internal Revenue Code that prevents companies from using a former agent's length of service in determining the amount of termination payment the agent will receive. In doing so, this bill fulfills Congress' intentions with the TRA and provides equitable tax treatment for all former agents. In addition, the budget implications are minor since only a very small number of agents are affected. This provision enjoys the support of thousands of insurance agents around the country, as well as the National Association of Life Underwriters, the Coalition of Exclusive Agents, and the National Association of Independent Insurers.

In the interest of ensuring that termination payments to former insurance agents are