

vote; the President is proposing and the conference committee has proposed to protect the profits of the pharmaceutical industry.

Then, not to leave out the insurance industry, because they are almost as generous in their campaign contributions, we are going to set up a new market for them where we will subsidize the private health insurance industry to create competition. Now, is that not ironic?

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The only industry in the United States of America exempted from anti-trust law, an industry which can, and does, legally fix prices, collude with their so-called competitors, and, you know, collude also to determine who they might cover or not cover, we are going to bring about competition by subsidizing them.

There are quite a few seniors in my district that have a rather bitter taste in their mouths about the HMO Medicare+Choice and all these other foolhardy things that have been levied upon them. Those companies walked away one day and left them high and dry. And under this bill they will be able to walk away again and leave people high and dry or they will be able to choose the people they want to cover and tell the rest of them to go over to the Medicare fee-for-service plan which will be more expensive. It will get ever more expensive because all the low-risk people will be moved out and taken by the insurance industry and these subsidized plans until they become high risk, until they have to actually file a claim. That is the way the insurance industry works in America today: they will cover you until you ask them to cover something that you have been paying premiums for. And the next time renewal comes up, sorry, we will not renew you. This does not go on just in health care; it is going on in homeowners and car insurance and everything else. But it is particularly egregious in the area of health care. This bill is going to do nothing to rectify that problem.

Let us look at what the great benefits will be. In the first year, next year, there will be discount cards that will come out before the election so the President can say he did something for people, which will be to give a discount, maybe as much as 15 to 25 percent. That means that seniors will only have to pay 50 to 75 percent more than they would have to pay for those drugs imported from Canada. Oh, what a benefit that is. No, but it is a wonderful windfall for the pharmaceutical industry. They will still be paying prices higher than people covered by other private insurance plans, as are Federal employees, as am I, Blue Cross/Blue Shield, and many others; but they will get that juicy 15 to 25 percent discount.

Then the big plan kicks in in 2007. Why 2007? Because people, if it went into effect sooner, if it was such a great deal, people might figure out

what a turkey it is before the next election. So they will dangle it out there 4 years in the future and say this will be really great, you just wait. It is so complicated, few people can figure it out. But here are a couple of numbers. A person who pays \$1,000 for pharmaceuticals under this great plan would only pay \$945 for their pharmaceuticals after they did their premiums and co-payments and deductibles. They would get a benefit of \$55 on an annual \$1,000 prescription drug benefit.

Well, let us look at someone who has much bigger costs. Someone who pays \$3,700, \$300 a month. Their benefit would be a grand total of \$855. Only about, you know, half of that they could get purchasing the drugs from Canada. This is a sham.

MEDICARE LEGISLATION

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

Mr. BROWN of Ohio. Mr. Speaker, this summer AARP devised a litmus test for Medicare legislation. Specifically, AARP said Congress must be careful not to pass any legislation that jeopardizes employer-sponsored retiree benefits, or that leaves such large gaps in the drug coverage that seniors still will not be able to afford needed medicines, or that includes a premium support privatization provision which will invariably give HMOs control over Medicare, or undercuts popular support for the Medicare program by requiring higher-income beneficiaries to pay more for the same coverage. In other words, we should not pass any legislation that introduces means testing into Medicare.

The Medicare conference committee agreement that was outlined this weekend still jeopardizes employer-sponsored retiree coverage for 12 million seniors. In other words, as many as a third of the seniors who now have prescription drug coverage will lose it under this bill because employers will say why should we do it, we will put you in that government program.

It still leaves such huge gaps in coverage the average senior will run out of drug benefits by August each year. Understand that the average senior will run out of drug benefits two-thirds of the way through the year, but, get this, will still be required to pay the premiums through December. That is a great deal.

It still includes a premium support provision that stacks the deck so resolutely against Medicare fee-for-service, the Medicare that seniors in this country respect and love and have benefited so greatly from. It stacks the deck so resolutely against the Medicare fee-for-service program that seniors will have no choice but to join a private insurance HMO. And it still means tests seniors.

What else does this bill do? It creates a \$12 billion slush fund for HMOs to in-

duce them to provide coverage. If anyone still believes privatizing Medicare will reduce health care costs, this \$12 billion bribe going to the insurance industry from U.S. taxpayers, this \$12 billion bribe should cure them of that misperception.

Mr. Speaker, there is no surprise here. After all, the insurance industry gives tens of billions of dollars to my friends on the other side of the aisle, to President Bush, to Vice President CHENEY, to Republican legislative leadership. This bill also increases drug profits by nearly 40 percent, an estimated \$139 billion over 8 years. Again, no surprise there, Mr. Speaker. The drug industry gives actually tens and tens of billions of dollars to President Bush. The word on the street in Washington is they may give \$100 million to President Bush's reelection. So, of course, they are going to look out for the drug industry.

Coincidentally, this bill specifically prohibits the Federal Government from negotiating lower prices on behalf of seniors and taxpayers to secure lower drug prices. It abandons the one strategy that would deliver meaningful drug savings to seniors, businesses, and all prescription drug purchasers. It abandons legislation that my friend, the gentleman from Minnesota (Mr. GUTKNECHT), who is in this Chamber, worked on; the gentleman from Washington (Mr. MCDERMOTT); the gentleman from New Jersey (Mr. PALLONE); the gentleman from Arkansas (Mr. ROSS); the gentleman from Texas (Mr. GREEN); the gentlewoman from California (Ms. WOOLSEY), a lot of us on both sides of the aisle worked on. It abandons legislation to allow importation of prescription drugs, safe, affordable prescription drugs from Canada and other countries that charge one-third, one-fourth, one-fifth as much as they do in the United States.

Other countries negotiate for lower drug prices, but the U.S. is a passive drug taker. As a result, U.S. consumers get robbed; the drug industry gets rich. This bill ignores public support for prescription drug reimportation from other countries for lower price, the same drug but for lower price, ignores the consequences for consumers, for employers, and for the Federal Treasury if we fail to bring drug prices down.

Seniors cannot afford the high cost, employers cannot afford the high cost, taxpayers cannot afford the high cost of prescription drugs anymore in this country.

If anyone still believes the drug industry and the insurance industry are not the ghost writers of this bill and are not its principal beneficiaries, perhaps the \$12 billion HMO slush fund, the \$139 billion in additional drug industry profits, the prohibition on negotiated drug prices, and the stifling of prescription drug importation just might convince you.

One more thing. While the drug and insurance industries fair extremely well under this legislation, the bill's

authors decided to cut corners by barring 3.9 million seniors living at or near poverty from receiving low-income prescription drug assistance.

Under the deal described this week-end, a senior earning \$8,000 a year may still be required to pay as much as \$2,500 to \$3,500 for coverage. That is not protection, Mr. Speaker. It is a cruel joke.

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

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. MILLER of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FALSE PROMISE FOR AMERICA'S SENIORS

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

Mr. ROSS. Mr. Speaker, after years of talk about the need to help our seniors with the high cost of prescription drugs, it appears that sometime this week, or perhaps this weekend, this Congress will be voting. They will be voting on a bill that is nothing more than a false hope and a false promise for America's seniors. In fact, Max Richmond, the head of the National Committee to Preserve Social Security and Medicare, a nonpartisan, not bipartisan, but a nonpartisan, nonprofit organization, has been quoted as saying, "Have you ever heard of Medicare fraud? Well, this Republican prescription drug bill is Medicare fraud."

Let me tell you why. As I see it, there are three major problems with the bill. Problem number one: the Republican leadership actually had the nerve to put language in the bill that says the Federal Government shall be prohibited from negotiating with the big drug manufacturers to bring down the high cost of medicine. That is in the bill. Then they call it a seniors bill.

Problem number two is the prescription drug plan will be privatized. And what is worse than that is the rest of Medicare could very well be privatized

by 2010 under this bill. Insurance is about spreading the risk. When our homeowners policy comes due, sure, we complain; but when you think about the fact that they will replace everything in our house and build us a new house if something happens, it is fairly reasonable, the premium we pay. And why is that? When is the last time you saw a home in your neighborhood burn down or get blown away? It does not happen very often. Insurance is about spreading the risk.

Well, with seniors there is no risk to spread. Seniors require a lot of medicine and a lot of health care to either get well or to stay healthy. That is why we created Medicare 38 years ago.

So why do the Republican leadership and the big drug manufacturers want to privatize the Medicare prescription drug benefit? Well, let me tell you why. You hear about how prescription drugs are less expensive in other countries. It is true. I did a survey about a year ago where I compared the price paid by seniors of the five most commonly used brand-name drugs in my district with seven other countries. And guess what we found: seniors in my district pay on average 110 percent more than seniors in these other countries.

Now, why is that? Because America is the only industrialized Nation in the world where people go without health insurance; 43.6 million of them today, 10 million of them are children and the rest of them, for the most part, are people that are trying to do the right thing and work jobs, but they are working the jobs with no benefits.

In other countries everybody has health care. And in other countries they tell the big drug manufacturers if you want your medicine, your brand in our country, you are going to give us a discount. And they do. And the drug manufacturers and the Republican leadership know good and well that if we have 40 million seniors under one plan in America, that we too will demand those kinds of discounts to help offset the cost of this program.

So they want to privatize the plan and spread seniors out over about 100 plans and have 100 different insurance companies knocking on your door and calling and sending mail to your mother or dad or grandfather or grandmother all trying to sell them, what? Exactly the same plan. Privatization will not work.

The third big problem with this is it is not really a meaningful benefit. Most people who are fortunate enough to have a private health insurance company, and every plan is a little different, but most people who are fortunate to have private health insurance, well, the first \$3,500 worth of medicine they pay about \$700 out of pocket. Under this Republican prescription drug plan, on the first \$3,500 worth of medicine, seniors are going to get stuck with \$2,600 of it. All this talk in Washington amounts to \$900 worth of help on the first \$3,500 worth of medicine.

You see, it is going to have a \$250 deductible. And during that time, you have got to pay the monthly premium, which they say may be \$35; but they are not real sure what it will be, it could be more. And then after \$250 up to \$2,000, Medicare is going to pay 80 percent and you pay 20 percent. That sounds pretty good. But on a \$100 prescription, once you get to the \$250 mark and you are paying \$20, what happens when you hit \$2,000? All the way up to \$3,500 you are back paying the full \$100. Medicare pays nothing. But they still bill you monthly for this premium. This is Medicare fraud. It is wrong. This is America, and we can do better than that by our seniors.

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The SPEAKER pro tempore (Mr. NEUGEBAUER). Under a previous order of the House, the gentleman from North Carolina (Mr. COBLE) is recognized for 5 minutes.

(Mr. COBLE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from North Carolina (Mr. COBLE).

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

There was no objection.

PRESCRIPTION DRUG MARKET ACCESS

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

Mr. GUTKNECHT. Mr. Speaker, I will not take the whole 5 minutes. I have been listening to the discussions about Medicare reforms, and I must tell my colleagues that some of the arguments they are making on the other side, I agree with. Some of them, I do not agree with.

I do want to let Members know that in first hour there will be a special order, and I invite Members from the Republican and Democrat and Independent parties to join us tonight and talk about the issue of market access because I think that is one thing that most Members here in the House agree on, and that is, that Americans deserve to have world class prices for world class drugs.

As the gentleman from Arkansas (Mr. ROSS) was just saying, in the studies that he has done, in the studies that I have done, the studies that other Americans have done, that have been done by the press and other groups, they all come to the same conclusion; and that is that Americans pay by far and away the world's highest prices,