

my district and across this Nation as well. Today I rise in support of our military families who are serving our country while trying to provide for a better life for their children.

The Republican child tax credit package hurts all of those groups. A child tax credit package that goes out of its way to exclude those that need it the most, the families that need it the most, that it is actually most meaningful to, is not helpful to these families in our country, a child tax credit package that goes out of its way to exclude those that would actually spend the tax credit, putting those funds back into our stalled economy, it just simply is not helpful to those families and to our country that needs that stimulus. That is not a family-friendly package and that package is not helpful to our economy.

Yet, my colleagues on the other side are still telling us that higher deficits and more tax cuts for the rich are the way to end this Bush recession. Republicans are still telling us that tax cuts for the rich are what will help working families. Well, the statistics tell us a different story and the people of my district, they understand there, and they know better.

Since President Bush took office, America has lost over 3.3 million jobs. That is 3.3 million people hurt by reckless tax policies of this administration and this Republican Congress. And yet the Republicans still have the audacity to tell the working African American and Latino families that they, by and large, will be excluded from yet another tax break. Mr. Bush and House Republicans have the audacity to tell many working families who serve our military that they too will be excluded. Mr. Bush has the audacity to charge those families suffering the most under an economy he created and says he will not help.

The Republicans have given us 3.3 million new unemployed in this country. The Republicans have given us a \$500 billion deficit this year. The Republicans have given us high interest rates on our homes and cars through reckless economic policies. Yet the Republicans refuse to give American working families and the enlisted military personnel a much needed tax cut. It is unconscionable, and I urge my colleagues in this House to support this motion before us.

Mr. BACA. Mr. Speaker, I rise in support of Representative CROWLEY's motion to instruct the conferees to grant the Child Tax Credit to thousands of needy families wrongfully ignored by the Republican majority.

When the conference report on the Republican tax cut was finished, the dividend tax cut got bigger and tax credits for working families got smaller. It is unconscionable that we are willing to sacrifice Child Tax Credits for the poorest in our society, so that we can give more money to the wealthiest.

Six and a half million families in this Nation earn \$10,500 to \$26,625 per year. If we do not pass a child tax credit for the families, 19 million children will be ignored. In my home

State of California, nearly 1.3 million working families will not receive a child tax credit because the Republicans needed to give President Bush more billionaire tax cuts. These working families need relief!

By not passing a complete child tax credit, 250,000 kids of active duty military families, many of whom are right now fighting overseas, will be ignored. Military families need relief!

Our economy is in desperate need of stimulus. Unemployment across the Nation has remained over 6 percent and the Hispanic unemployment rate remains above 7.5 percent. America's families are suffering.

Unemployment is up. Wages are down. Poverty is on the rise. More Americans can no longer afford health care.

America's families need our help. They need a child tax credit!

During this time of economic downturn we must not leave out those who are working harder for less pay or those who have recently joined the ranks of the unemployed. It is time to put working families back into the equation.

I urge my colleagues to support Representative CROWLEY's motion to instruct.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. CROWLEY).

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

Mr. CROWLEY. 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.

MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

Ms. SCHAKOWSKY. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Ms. SCHAKOWSKY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1 be instructed to reject division B of the House bill.

□ 1730

The SPEAKER pro tempore (Mr. MURPHY). Pursuant to clause 7 of rule XXII, the gentlewoman from Illinois (Ms. SCHAKOWSKY) and the gentleman from Illinois (Mr. CRANE) each will control 30 minutes.

The Chair recognizes the gentlewoman from Illinois (Ms. SCHAKOWSKY).

GENERAL LEAVE

Ms. SCHAKOWSKY. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this motion to instruct.

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

There was no objection.

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself as much time as I may consume.

I rise today to offer a motion to instruct the House conferees on H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003, to strike the health savings security accounts. The \$174 billion saved should be used to provide employer subsidies in order to prevent over 4 million retirees from losing their existing drug benefits.

Many of us believe that the House Medicare bill does not go far enough in providing an affordable and adequate prescription drug benefit to the 13 million senior citizens and persons with disabilities who lack coverage. There are, however, 12 million retirees who today enjoy better coverage through employer-sponsored insurance than the benefit included in H.R. 1. I suspect that very few of us would be willing to say that those 12 million retirees should lose the better coverage they have today.

In fact, one of the selling points of this bill is supposed to be that enrollment in the Medicare benefit is purely voluntary, that retirees can keep their existing coverage if they want; but, unfortunately, this is not the case. We know that from the July 22 Congressional Budget Office analysis of H.R. 1 that one in three out of those 12 million retirees would be worse off if we pass this bill. I want to repeat that. According to the CBO, one out of three of those 12 million retirees would be worse off if we pass this Medicare bill.

It seems to me that our theme ought to be at least first do no harm; but 32 percent of retirees with employer-sponsored insurance would lose that coverage, according not just to the CBO but to studies like the one recently released by Ken Thorpe, a health policy expert now working at Emory University. He agrees with the CBO figures and has given us state-by-state figures about the impacts of H.R. 1.

According to Dr. Thorpe's analysis, 163,000 retirees in my State and in the State of the gentleman who takes the opposite view would lose their coverage and be forced to pay more for their medications if H.R. 1 passes. In every State across our great Nation, there are retirees and retiree families who would be worse off under this bill: 252,000 in Florida; 45,000 in Iowa; 218,000 in Michigan; 55,000 in Louisiana, and on and on the litany of retirees who would do worse under this Medicare bill.

The devastating impact this bill would have on these 12 million retirees and their families is probably unintended. Many of my colleagues may not have known about this problem when H.R. 1 passed this body by a single vote; but now we know about those

impacts, and it is up to us to fix this problem.

Again, it may have been unintentional, but we now know that this bill includes perverse incentives that actually encourage employers to drop coverage and that penalize employers that have done the right thing, those employers who are struggling to pay for drug benefits for retirees and who want to continue to meet their commitment.

We have heard about this problem not just from groups like the AARP and the AFL-CIO, the National Committee to Preserve Social Security and Medicare, and Consumers Union, the National Breast Cancer Coalition and the American Foundation for the Blind. The analysis is coming from the Congressional Budget Office and the Heritage Foundation.

These concerns are, as my colleagues know, echoed by individual retirees across the country. Many of us have held town meetings on Medicare, have talked with senior groups and heard from individual retirees. Again and again, we hear concern that H.R. 1 will take away the benefits that they worked so very, very hard to earn.

As Francis Meehling, age 76, told a New York Times reporter, "Congress says the new benefits are voluntary, but many people would lose the coverage they have." Once a retiree loses his or her coverage, the choice to enroll in an inadequate Medicare drug plan is no longer voluntary because there is no other option available. Let us be very clear. Unless we fix this problem, we will have taken away choice from 4 million retirees and their families.

My motion to instruct conferees is a way to find the resources necessary to provide the financial incentives to solve this problem. Because we are faced with a \$400 billion cap on Medicare spending, which is imposed by the other side of the aisle, we have few choices. We can find the money by reducing the already meager Medicare benefit, we can cut Medicare payments to hospitals and doctors, or we could use the money going for health savings accounts, \$174 billion, so that 4 million retirees do not lose their current benefits.

I have lots of concerns with the health savings accounts themselves because few of the uninsured have incomes high enough to take advantage of the health savings accounts, and I do not believe they will meet their purported goal of providing coverage to the uninsured. At a time when States are struggling financially, the Center on Budget and Policy Priorities says savings accounts will drain \$20 billion to \$30 billion from State treasuries.

It is really not my point today to argue that point. I urge even my colleagues who support savings accounts to support this motion. We have limited choices about where to get the money to prevent 4 million retirees from losing their coverage; and again, I am sure that none of my colleagues

want a single one of their constituents to be worse off because of passage of this bill.

The example of the catastrophic health care bill of 1989 continues to loom over us, and I have issued a friendly warning about it in the past. That is the time when the angry senior citizens charged the then-chairman of the House Committee on Ways and Means and surrounded his car and demanded that that bill be repealed. In recent weeks, I have heard from so-called experts that this bill will not result in a rerun of major grass roots opposition created by the catastrophic bill because they say this is a voluntary bill and no one will be worse off because this Medicare drug benefit is not mandatory but voluntary; but that is really not true because I caution my colleagues to listen again to the words of senior citizen Francis Meehling who says, "Congress says the new benefits are voluntary but many people would lose the coverage they have."

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

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

We have had several motions to instruct conferees that this House has voted down, and this is more of the same. The motion before us instructs conferees to reject division B of the House-passed Medicare bill. Division B in H.R. 1 allows for the creation of tax-favored health care savings accounts. The basic idea behind these accounts is to let people put their own money away for their future health care needs. They are completely portable and can be used for any health care expense such as prescription drugs or doctor visits.

Let me explain to my colleagues why these accounts are so important for seniors and all other Americans. In January, most insured Americans will see an estimated 14 percent increase in their health insurance premiums. This is the fourth consecutive year of double digit increases. Currently, there are more than 43 million Americans without health insurance, an increase of 2.4 million in the last year.

Health care costs are spiraling out of control throughout the United States. Seniors have the most pressing problem with health care costs because they have no further income opportunities after they retire; but make no mistake about it, all Americans are struggling with increasing health care costs.

The future looks bleak. We have an aging population. The fastest growing segment in our country is people 80 and older. We need to start looking at ways to handle the chronic and long-term care costs of our aging population. When the baby boomers retire, long-term care costs will skyrocket, driving prices even higher.

One piece of legislation is not going to solve all these problems. There is not a simple answer, but there is a necessity to take multiple steps now with one of the most important steps being health savings accounts.

This House has passed bipartisan legislation that for the first time gives all Americans the incentive to plan for the future. It gives people more options and flexibility. If an employer does not offer health coverage, an individual has an affordable way to purchase health insurance on his own.

A few months ago, I talked to a constituent from my district who told me a story similar to the stories many Members have heard from their constituents. He recently quit his job to start his own company. He has a wife and two daughters, and he has been pretty successful at getting his company off the ground, but he cannot find health insurance for his family that is not exorbitantly expensive. He knows he needs it. He has got two children. He makes enough money to be classified as middle class, and he provides well for his family; but he simply cannot afford to be self-employed and make sure his children can go to the doctor. Having had eight children of my own, I understand his frustration. By all accounts he is successful except he cannot find health insurance. Health savings accounts would be a viable option for him and his family.

Opponents of health savings accounts will say that we are only helping wealthy people, that health savings accounts are a tax shelter for the rich. The very opposite is true. These types of accounts are giving people in the middle class and workers who do not have benefits the ability to buy health insurance.

Medical savings accounts, the precursor to health savings accounts, have been very successful. According to the last report from the Internal Revenue Service and the U.S. Treasury, 73 percent of all medical savings account buyers were previously uninsured. So medical savings accounts are making health insurance affordable for the first time for many Americans and actually bringing them into the health insurance system.

According to the Coalition for Patient Care, medical savings account policy holders currently have at least \$100 million in their medical savings accounts to use for health care now or in the future. Previously, that money used to go to insurance companies. With medical savings accounts, policy holders are benefiting from their wise consumption of medical care.

Health savings accounts and health savings security accounts are more flexible than medical savings accounts and, therefore, will be more attractive to people. If they are implemented, it is estimated that 40 million health savings accounts and health savings security accounts will be created by the end of the decade.

I simply cannot understand why my colleagues on the other side of the aisle persist in trying to pass a motion that will remove the ability of seniors to save for their out-of-pocket health costs that will keep 43 million Americans uninsured. I cannot understand a

motion that will limit health care options for Americans. I think some Members are under the assumption that if we strip health savings accounts from the bill that the money spent on health savings accounts will be redirected and used to provide enhanced prescription drug coverage.

I want to clarify what this motion does and does not do. The motion does not direct conferees to close the drug coverage gap. It does not direct conferees to spend more money on drug coverage. It does nothing more than eliminate health savings accounts.

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

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

Let me just briefly respond that the purpose of this motion to instruct is to prevent 163,000 people from our State of Illinois from losing their coverage because their employers stop providing the benefit for prescription drugs for the retirees. So that is the point. It is to solve a problem that will cause millions of retirees and persons with disabilities to lose their benefit.

Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. LINDA T. SÁNCHEZ), a State where 385,000 retirees are projected to lose their prescription drug coverage.

□ 1745

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise in support of her motion to reject the use of the \$174 billion for Health Savings Security Accounts included in the Republicans' prescription drug bill.

On June 26, I voted against the Health Savings and Affordability Act, H.R. 2595. While it sounds like a great idea to let folks save for their out-of-pocket costs, in reality these Health Savings Accounts are a \$174 billion tax cut for the wealthy. Republicans tell us that these accounts will help those without health insurance, but in reality those without health insurance have incomes that are too low to take advantage of the tax breaks in this bill. The truth is these folks do not have the additional \$2,000 to \$4,000 a year to put into these savings accounts.

When America is experiencing record deficits, this Republican Congress' highest priority remains increased tax cuts, and I am outraged that they are placing them into the Medicare prescription drug bill. When is this type of deception going to stop? All I ask is that my colleagues be honest with the American people. I do not think it is asking a lot for them to really be honest and level with Americans about what they are really getting in this bill.

I ask this Congress if \$174 billion could not be better used? At a time when retirees are struggling with rising prescription drug costs, could the \$174 billion not be used to increase in-

centives for employers not to drop prescription drug coverage for their retirees? If passed as is, the Medicare prescription drug bill will make those receiving employee retirement plans worse off. Currently, this is the largest source of prescription drug coverage for Medicare beneficiaries, and these plans are significantly better than anything that they would receive under the Republican bill.

Under the Republican bill, the likelihood that employers will drop prescription drug coverage is great because retirees will not be able to use their health plans towards the gap in coverage. Therefore, these higher costs do not provide an incentive for employers to make prescription drug coverage available to their retirees. The Congressional Budget Office projects that approximately one-third of employers who are currently providing retiree prescription drug benefits would drop the coverage if the Republican prescription drug bill becomes law, making some 4 million retirees worse off.

In fact, this possibility of losing drug benefits from former employers is the biggest fear currently facing retirees. Already we are seeing a decline in retiree coverage due to increased prescription drug costs, which accounts for 40 to 60 percent of an employer's retiree health care costs.

We cannot stand here and allow the Republican bill to expedite this process. Therefore, I urge my colleagues to support the Schakowsky motion and reject more tax cuts for the wealthy. Instead, why not be honest and do something that is right for the American people and use the \$174 billion for employer subsidies to help ensure that employers do not drop their current prescription drug plans for their retirees.

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

Ms. SCHAKOWSKY. Mr. Speaker, I would like to inquire as to how much time is left on my side.

The SPEAKER pro tempore (Mr. MURPHY). The gentlewoman from Illinois (Ms. SCHAKOWSKY) has 16 minutes remaining, and the gentleman from Illinois (Mr. CRANE) has 24 minutes remaining.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE), a State in which 143,000 retirees are projected to lose their prescription drug coverage.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague, the gentlewoman from Illinois, for putting together this motion to strike the Health Savings Account provisions and shore up employer-sponsored coverage.

The House Republican bill includes \$174 billion over 10 years for Health Savings Accounts, and these accounts, Mr. Speaker, are bogus. This money should be used to subsidize employers to prevent employer-sponsored coverage erosion. The Health Savings Account provisions will undercut employer-provided health care coverage.

These benefits are available only if individuals are covered by high deductible plans. In other words, plans providing no coverage for at least the first \$1,000 of medical expenses. A deductible that size is approximately double the deductible of most employer plans. The provisions will encourage employers to reduce coverage for workers and their families by increasing deductibles and shifting even more costs on to employees. The resulting cost savings will be enjoyed by the employer because there is no requirement that these savings be passed on to the employee.

For many American families, the tax benefits are completely worthless. The only thing they would receive from the Health Savings Account provision is reduced health care coverage. Most American families will not be able to take advantage of the tax shelter in these provisions because they do not have \$4,000 per year in additional savings. The Health Savings Account provisions are designed to benefit employers and upper-income management not rank-and-file employees.

Now, Mr. Speaker, with the deficit at a record high, we ought to carefully consider how best to spend the scarce resources we have. It is fiscally and morally irresponsible to spend \$174 billion on a tax shelter that will erode health insurance coverage and not improve it. This money would be much better spent by strengthening employer-sponsored retiree coverage, which currently covers about a third of all seniors.

The fate of employer-sponsored health coverage for retirees is a central issue in the Medicare prescription drug debate. As it currently stands, the House-passed Medicare bill encourages employers currently providing retiree health benefits to drop coverage. Unfortunately, the Republican bill states that any dollar an employer pays for an employee's prescription drug cost would not count towards the employee's out-of-pocket catastrophic cap. This disadvantages seniors with employer-sponsored coverage because it would be almost impossible for them to ever reach the bill's catastrophic cap over which Medicare would pay 100 percent of the drug costs. So, without a doubt, many employers will simply stop offering retiree coverage.

The potential loss of this valuable benefit that many unions and employers provide was reported recently in the New York Times. According to the lead story by Robert Pear, and I quote, "About 12 million of the 40 million Medicare recipients has retiree health benefits, usually including some drug benefits. The Congressional Budget Office estimates that one-third of the people with such drug coverage could lose it under bills passed in June by the House."

Now, the Republican conferees are unwilling to provide a final Medicare agreement that will provide seniors with an affordable, available, and guaranteed prescription drug benefit that

does not privatize Medicare. With the added threat of employers dropping retiree health benefits if a retiree is eligible for Medicare, we will no doubt have a public health crisis on our hands. Do not let this happen. Support the Schakowsky motion.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SANDLIN), a State in which 280,000 retirees are projected to lose their employer-provided prescription drug coverage.

Mr. SANDLIN. Mr. Speaker, I thank the gentlewoman for yielding me this time. Mr. Speaker, we have a very important question to answer today: Should we provide prescription drugs for all seniors, or should we provide tax shelters for the few? That is our question.

Mr. Speaker, I rise today to join my colleagues in instructing the conferees on H.R. 1 to make our Nation's seniors our top priority as set forth in the Schakowsky motion to instruct.

The prescription drug bill that is before us is supposed to help and not harm our seniors, and yet H.R. 1 has 12 million seniors in this country running scared. These are supposedly the fortunate seniors, the ones who work for companies that promised they would provide retiree health coverage if the employees put in the time required.

But the flawed structure of H.R. 1 will ultimately destroy that commitment. The Congressional Budget Office has estimated that up to 32 percent of retirees will lose their employer-sponsored coverage and drug benefits under the House bill. Thirty-two percent of America's seniors, the retirees, will lose their employer-sponsored coverage under the House bill. That is unacceptable.

A separate study by economist Ken Thorpe came to similar conclusions and noted that in my home State of Texas, 280,000 retirees would lose coverage. That is one-quarter of a million seniors. Now, Mr. Speaker, that is just not exactly the kind of thing that you want to put in your constituent newsletter that you send back home.

Now, this is ridiculous. Why are we pretending to fix one problem while causing another? The CBO has noted that H.R. 1 would provide, and this is a quote, "provide a clear financial disincentive for employers to supplement the part D benefit." A disincentive. It blatantly discriminates against employers who provide retiree health coverage by providing better Federal subsidies when an employer drops coverage than when an employer retains coverage. What kind of reasoning is that?

The Republicans like to say this is a voluntary benefit, but that implies, "voluntary," that our seniors have a choice. I can say with full certainty that none of our seniors with retiree coverage would choose this detrimental program to be enacted into law. I know Texans would not. I know the 32 percent who will be losing their cov-

erage would not. So let us spend our money wisely. Let us direct it at protecting our retirees' hard-earned benefits. We can do that by eliminating HSAs today.

The majority claims we cannot afford, we cannot afford, to offer comprehensive coverage for our seniors' drug needs. But we can afford to allocate over \$174 billion in tax cuts to the inclusion of Health Savings Accounts. That shows where our priorities are. HSAs will certainly help the wealthiest individuals for whom they offer yet another opportunity for another tax shelter. But for middle America, for the people I represent and most of us represent, HSAs will result in employers reducing coverage for American families by, one, increasing deductibles; and two, shifting cost to employees.

Understand, there is no requirement to pass on the savings. We need prescription drugs for all, not a shelter for the few.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN), a State in which 243,000 retirees are projected to lose their employer provided prescription drugs.

Mr. BROWN of Ohio. Mr. Speaker, I thank gentlewoman from Illinois for yielding me this time, and for her leadership on health care issues.

What is it, Mr. Speaker, what is it about Republicans and Medicare? There is always some Rube-Goldberg idea they have to change the public health system that has lifted millions of Americans out of poverty for the last 38 years, that has helped America's elderly live longer lives and healthier lives? Republicans always want to try some experiment, some Rube-Goldberg plan.

They tried means testing. They could not get that through the Congress. They tried to raise up eligibility age. They could not get that through the Congress. They tried these Medicare HMOs; and, unfortunately, they have gotten that through the Congress. And ask almost any senior how these Medicare HMOs are working, and they are not working very well.

They have tried an experimental medical savings account, a demonstration project which has not worked very well. Then the President said if you want a prescription drug benefit through Medicare, you have to get out of Medicare and get it through private insurance. That clearly is not flying with the American people. They always, always, always, over the last 30 years, every chance they have gotten, have tried to privatize Medicare.

Now, Mr. Speaker, they have this \$174 billion tax scheme to, again, try to undercut and weaken Medicare. Medicare works because it is universal insurance. And universal insurance works because there are a lot of healthy people and a lot of people that are sick. Through universal coverage, it works for everybody. It works for the healthy 65-year-old who walks two miles every

day and does not need much medical treatment, because she subsidizes the 80-year-old who may be sicker. Then when the 65-year-old gets sicker, other people will begin to help her, because it is a universal system.

Republicans, for whatever reason, I do not know if it is their friends in the insurance industry or what it is, or their political philosophy, or whatever, they want to fracture that universal coverage pool. I guess we really should not be surprised, Mr. Speaker. For 38 years, we have seen Republicans simply have not liked Medicare. They did not vote for it 38 years ago. Speaker Gingrich tried to cut \$250 billion 10 years ago to, surprise, give tax cuts to the wealthiest people in this country. Dick Arme, the Republican leader 2 years ago, said, "In a free society, we wouldn't have Medicare." Whatever that meant. The gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, just in the past year, said he wants to end Medicare as we know it.

They simply do not like this program. I wish they would come to the floor instead of sending these Rube-Goldberg kind of constructs that nobody really understands, just come to the floor and say; we do not like Medicare; we want to privatize it; we want to let the insurance industry run it. That is what the Republicans do in every one of these Rube-Goldberg kind of schemes.

Perhaps the worst is this \$174 billion tax shelter, tax scheme, they are trying with the medical savings accounts. That is why the Schakowsky motion to instruct makes sense. We can take that \$174 billion, instead of putting it in some kind of tax shelter or tax scheme, and use it for something that will really matter and that will help the seniors in this country.

□ 1800

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT), a State in which 74,000 retirees could lose their benefits.

Mr. MCDERMOTT. Mr. Speaker, it is my desire not to be repetitive, but the gentleman from Ohio (Mr. BROWN) really said it all: Medicare is a program that we all agree we ought to fix, we ought to add a prescription drug benefit.

Now Members know that the \$400 billion that we have put into it is simply not enough. The plan has a great big doughnut hole in it. Most seniors will pay more than they will ever get out of the program, and when we talk about let us fully fund it so everybody gets what they need, we are told there is not enough money. Then if we look a little further into the bill, we find the medical savings accounts. Now I do not know if Members watching this on their television all understand, \$400 billion is what they say, and they have \$190-some-odd billion for medical savings accounts. Who gets the benefit

from that? How many people in this society are able to put money aside in anticipation of an illness?

We buy insurance; we cannot save up for it unless you are rich. This is a plan for the rich to shelter some more of their money. That money could much better be used for providing a good pharmaceutical benefit. Now, the motion of the gentlewoman from Illinois (Ms. SCHAKOWSKY) simply says let us get rid of one more tax break for the rich which is all the President and the Republican majority seem to be able to come up with. In a time when we are losing jobs everywhere and everything else is going wrong, they can find money to keep putting money out for tax breaks. Let us take that money and put it into a pharmaceutical benefit for seniors.

Why should we put a man out that everybody predicts 30 percent of the seniors who are covered now by their former employment will lose that benefit? Why should 74,000 people in the State of Washington who right now have a benefit lose it so we can give another tax break to the rich? It makes no sense. We should all vote for the motion of the gentlewoman from Illinois because it makes good sense, it is good public policy, and it is humane.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLT), a State in which 134,000 retirees may lose their employer-provided prescription drug benefit.

Mr. HOLT. Mr. Speaker, I rise in support of the motion to instruct, and I thank the gentlewoman from Illinois for her leadership on this issue. The motion addresses two rather disturbing aspects of H.R. 1, the troublesome Medicare legislation passed earlier this year.

The first problem with this bill is, of course, it is, as so many things this year, a loss of revenue so that benefits can be given to people who need the benefits least. The Center for Budget and Policy Priorities has estimated that the health savings accounts would cost the Federal Government \$174 billion over 10 years.

These health savings accounts are a way of saying to the American people they are on their own. The beauty of Medicare and its sister program, Social Security, is we are all in it together. We all know we are all in it together. But the message that the majority is sending here is you are on your own. You can save for these expenses that you will incur, you can save for these prescriptions that you will need, you can save and you will be in good shape. I can hear the President saying to the Vice President, It worked for you, did it not, Dick?

Yes, George, it worked for me.

That is the message that they are giving to the American people, that you are on your own and you will be okay.

At the end of the line of this is channeling all beneficiaries into private in-

surance. As the chairman of the Committee on Ways and Means said, for those who think that we are trying to change Medicare as we know it, the answer is, I certainly hope so. Yes, that is what the chairman said. This is a fundamental change in Medicare.

Now, there are millions of Americans out there who are saying all this debate about prescription medicine under Medicare does not really affect me. They may not like turning people out on their own like this, but we can hear these millions of Americans saying thank goodness that my former employer has given me a good retirement package and I have prescription drug coverage. In fact, in New Jersey where there are 1.2 million Medicare beneficiaries, of these 434,000 have employer-sponsored coverage. It sounds good, but unfortunately we have got bad news for those people who think that they are covered.

The Congressional Budget Office says perhaps one-third of employers could drop retiree coverage under the new bill, one-third. Well, in New Jersey it might be any of 134,000 beneficiaries who would lose their employer-sponsored coverage under H.R. 1. This certainly is an unpleasant surprise for many seniors. The gentlewoman from Illinois (Ms. SCHAKOWSKY) has pointed out that the money set aside in H.R. 1 for the health savings accounts could be much better spent, addressing this second failing of the legislation, its effect on retiree prescription drug coverage, a fine idea, worthy of Members' support. I think we can create this fix by passing the motion to instruct of the gentlewoman from Illinois (Ms. SCHAKOWSKY). I will vote for it and urge my colleagues to do the same.

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

Mr. Speaker, my colleagues on the other side of the aisle have one general theme when they talk about health care policy: if we cannot give everyone everything, why pass a Medicare drug benefit. If we cannot help everyone, why help anyone. It is flawed thinking. We all want to help seniors pay for their prescription drugs. We want everyone to have access to affordable quality health care, it is just that we are going about it in different ways.

Our side of the aisle believes that seniors are smart enough to be able to choose the health care that is best for them. They should be able to choose what services they want and what doctor they want to go to. We think that people have the capability to plan for their health care needs down the road. The other side of the aisle thinks that Americans need to be taken care of, that is, what is good for one person is good enough for everyone. Some Members continue to categorize health savings accounts unfairly. They have been called a number of things. They have been called a tax-free grant, a tax shelter for the wealthy, and my favorite, a radical proposal.

The sad truth is that health savings accounts are a radical proposal. We are

giving all Americans, including seniors, a tool to save for their future health care needs. We are letting people keep more of their own money in order to buy health insurance. Ironically, that is a radical idea for some Members, letting people keep the money they earn to buy the health coverage they want. It has been argued that Republicans are being fiscally irresponsible. Some have said that, if the health savings account provisions are stripped from the Medicare bill, that we could afford to cover more of the seniors' prescription drug costs. This is simply not true. Even if health savings accounts were taken out of the bill, \$174 billion will not close the so-called coverage gap.

Let me remind Members that the Democrats offered an alternative prescription drug bill which closed the coverage gap, and that bill cost \$1 trillion. The entirety of the cost of H.R. 1, including the provision creating health savings accounts, is within the budget limits that this House passed earlier this year; a \$1 trillion prescription drug bill is not. Some Members today have spent a lot of time talking about how important it is to close the coverage gap in H.R. 1; yet this motion has nothing to do with closing the so-called doughnut hole. The motion does not instruct conferees to devote any additional money at all toward prescription drug coverage. This motion is not meant to supplement our prescription drug proposal; it is meant to kill legislation that this House has passed which will give millions of Americans access to affordable health care. I urge my colleagues to reject this motion.

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

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

This motion is not about giving senior citizens more than they already have; this is about preventing something from being taken away from 4 million seniors. As my colleague stated, the entire Medicare bill is subject to a \$400 billion spending limit because of the insistence of the Republican leadership. If we are going to provide the funding necessary so that 4 million retirees do not lose their coverage, we need to find the money somewhere. We can take it from the health savings accounts, or we can reduce the meager drug benefit even more, or we can cut provider payments.

My motion says that taking it from the health savings accounts is the best of all of the options that the other side has given us. We know what this motion means. It is a choice whether we vote to protect retiree health coverage, or we are going to vote for health savings accounts that will not meet their goal of covering the uninsured.

More important, the retirees who have employer-sponsored insurance and do not want to lose it know what this vote is about. They will be watching us. I urge support for the motion to instruct.

Mr. MORAN of Virginia. Mr. Speaker, I rise in support of the Schakowsky motion which would strike the House-passed provisions establishing new tax-free savings accounts for medical expenses, estimated to cost \$174 billion over ten years.

On June 26, 2003, I voted against the Health Savings and Affordability Act, which established these new tax-free personal savings accounts that employers could offer to their employees, along with high-deductible insurance policies.

As the House and Senate conferees continue to discuss the Medicare prescription drug legislation, the facts are still coming in that this bill will be a blow to the 12 million Medicare beneficiaries who currently receive prescription drug coverage through their employer retiree plans.

In most cases, their employer prescription drug coverage is significantly better than what they would receive under the Republican Medicare Prescription Drug plans.

It is also troubling to note that about one-third of employers who are currently providing retiree prescription drug benefits will drop that coverage if H.R. 1 becomes law. This means more than 4 million Medicare beneficiaries will be worse off.

Both H.R. 1 and S. 1 exclude employer-provided coverage as counting towards meeting the catastrophic cap on beneficiary spending in their "true out of pocket" definition.

Retirees with employer-provided coverage will get less of a benefit than other seniors.

In fact, these retirees would need closer to \$10,000 in drug costs before the stop-loss protection would apply, well after the \$5800 cap that applies to all other beneficiaries.

This will, in effect, encourage employers to drop their retiree benefits, at a difficult time when steep drug prices are prompting employers to eliminate drug benefits or cap their contributions.

I urge all my colleagues to vote in favor of the Schakowsky motion to reject the creation of the Health Savings Security and Health Savings Accounts provision and use the \$174 billion dollars to help save employer retiree prescription drug plans for our Nation's seniors.

The SPEAKER pro tempore (Mr. MURPHY). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY).

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

Ms. SCHAKOWSKY. 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.

ADJOURNMENT TO FRIDAY, OCTOBER 10, 2003

Mr. CRANE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. on Friday, October 10, 2003.

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

There was no objection.

ADJOURNMENT FROM FRIDAY, OCTOBER 10, 2003 TO TUESDAY, OCTOBER 14, 2003

Mr. CRANE. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, October 10, 2003, it adjourn to meet at noon on Tuesday, October 14, 2003.

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

There was no objection.

HOUR OF MEETING ON WEDNESDAY, OCTOBER 15, 2003

Mr. CRANE. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, October 14, 2003, it adjourn to meet at 2 p.m. on Wednesday, October 15, 2003.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. CRANE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

□ 1815

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. MURPHY). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REIMPORTATION

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

Mr. EMANUEL. Mr. Speaker, just yesterday in USA Today they ran a story, "Once Just a Trickle, Canada's Rx drugs pouring into the United States" and predicting that it is now coming close to \$1 billion worth of business where people are buying their medications, name brand drugs, from Canada. And why? Because the same drugs that we have developed here, the name brand drugs, are in Canada for 40 to 50 percent cheaper than they are at our local pharmacy and drugstore. We cannot afford the drugs we need, and

we are not doing enough here in Washington to help make that medication accessible.

We passed a piece of legislation back in July with 88 Republican votes and 153 Democratic votes that brought competition and choice to the pricing of pharmaceutical medications. Today if one went to Europe and Canada for the same medications dealing with blood pressure, cholesterol, heart disease, those medications are 40 or 50 percent cheaper than they are in the United States. Why? Because in those countries they have competition, and it makes the prices go down. If we brought competition and choice to the market, we could actually have the type of prices that are being afforded right now in both Canada and in Europe.

A couple statistics that are so important that people should know, a recent Families USA study found that prices of the 50 drugs most commonly used by seniors increased by three and a half times the rate of inflation. Between 2000 and 2003, seniors' expenditures on prescription drugs increased by 44 percent. Seventy-one percent of Americans think it should be legal to purchase their medications in Canada, in Europe, France, England, and Germany where prices, again, are cheaper than they are here at home. We are asking our folks here in this country to pay a premium price, the most expensive price in the world, not the best price; and we have an obligation to help them get the best price, not the most expensive price.

My governor from Illinois and governors in Minnesota and in Iowa have decided to study what the savings would be to their taxpayers and their consumers if they were to buy medications competitively. Those studies in short order will be out, and I think the Members will see that tremendous savings could be accomplished for the taxpayers in those States.

That is relevant to what we do here on the prescription drug bill. If we are about to spend \$400 billion of the taxpayers' money on the largest expansion in over 40 years on Medicare, we owe an obligation not only to the seniors who will get it but to the taxpayers who will pay it to get them the best price, not the most expensive price; and we want to use the free market principle of competition to bring prices down and to give consumers the choice that they need.

What I find interesting is that we have a \$1 billion business today going on. The FDA does not think there is anything wrong with it but all of a sudden has been lately lip-syncing the pharmaceutical industry's line by saying that there is an issue of safety. Yet they will not in any way try to deal with clamping down or stopping folks from buying those medications because they do not really believe there is a safety issue. The fact is on March 27, 2003, when the FDA testified in front of a congressional committee, when asked