

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 444, BACK TO WORK INCENTIVE ACT OF 2003

Mr. HASTINGS of Washington (during the Special Order of Mrs. JOHNSON of Connecticut), from the Committee on Rules, submitted a privileged report (Rept. No. 108-518) on the resolution (H. Res. 656) providing for consideration of the bill (H.R. 444) to amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 83, PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES REGARDING THE APPOINTMENT OF INDIVIDUALS TO FILL VACANCIES IN THE HOUSE OF REPRESENTATIVES

Mr. HASTINGS of Washington (during the Special Order of Mrs. JOHNSON of Connecticut), from the Committee on Rules, submitted a privileged report (Rept. No. 108-519) on the resolution (H. Res. 657) providing for consideration of the joint resolution (H.J. Res. 83) proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives, which was referred to the House Calendar and ordered to be printed.

NEW PRESCRIPTION DRUG CARD PROGRAM TOO CONFUSING FOR SENIORS

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I listened both on TV and also here in the well in person to the previous Special Order delivered by my colleagues on the Republican side of the aisle. I realize that they are well motivated and have the best of intentions in trying to put forward this prescription drug discount card program, but I have to say that I never believed it would work or accomplish anything to help seniors with their drug prices. Certainly what has happened today and the fact that so few seniors have signed up is a strong indication that it is unlikely to be effective and that it is unlikely to even be tried by most of America's seniors because they realize it is not really going to do much in terms of offering them discounts or providing lower prescription drug costs.

I think AARP was quoted in The New York Times today saying that they only had 400 seniors nationwide from the membership of their organization

that had signed up for the prescription drug cards. Their card. What is that, about, I do not know, five or so per State? It is unbelievable how few. Overall, I think there was another group that said about a thousand seniors had signed up for their card. Most of the other card sponsors would not even give out numbers. But it is clear very few seniors are signing up for it.

I think it is also true that when the Republican so-called prescription drug benefit kicks in in 2 years, in 2006, we will have the same phenomena, very few people will sign up, because it really does not provide much of a benefit.

But before I get into the whole issue of the discount drug cards, I want to mention, because I think a lot of times we forget, that the Democrats in the Congress, when this prescription drug proposal was being put forward by the Republicans, basically had a very simple proposal. We recognized the fact that Medicare has not traditionally included a prescription drug benefit and that the best way to include such a benefit was simply to expand Medicare in the traditional way and provide for the prescription drug benefit.

So our alternative to the Republican proposal essentially followed the outlines of Medicare part B. I think most seniors realize that their hospitalization is covered by Medicare part A and their doctor bills are covered by Medicare part B. Medicare part B is essentially a voluntary program.

A senior pays, I do not know what it is now, say approximately \$50 a month for the coverage of their doctors' bills, with a \$100 deductible, a 20 percent copay, and with 80 percent of the cost provided by the Federal Government. They can go to any doctor they choose and basically have it covered, 80 percent of the cost, by Medicare.

What we proposed, as Democrats, is to do the same thing with prescription drugs. Essentially, a senior would have a \$25 per month premium, with the first \$100 being deductible. Starting January 1, the first \$100 the individual had to put out for prescription drugs they had to pay out of pocket; and then, after that, 80 percent of the prescription drug costs would be paid for by the Federal Government and the individual would pay a 20 percent copay. There was no restriction. A senior could go to any pharmacy and buy any drug, name brand, generic, whatever was desired or whatever the doctor ordered that was necessary.

Also, we had a provision in our bill, in the Democratic bill, that said that the Secretary of Health and Human Services, the administrator of the Medicare program, would be required to negotiate lower prices. We estimate that that would result in price discounts of about 30 to 40 percent. I did not just pull that figure out of the air. That is what the Federal Government does with the Veterans' Administration. That is what they do with the military, the active as well as the retired military. They negotiate price re-

ductions, and they get reductions of something like 30 and 40 percent.

So it sounded like a very good idea. Democrats put it forward, figured this is an opportunity to expand a very successful program like Medicare and to include prescription drug coverage.

But the Republicans said, no, we cannot do that. Frankly, I think a lot of them do not even like Medicare. But, whether they like it or not, they are very much into the ideology, at least the House Republican leadership and the President are into the ideology that everything should be privatized and that Medicare is not a good program because it is a public, government-run program and the best thing is to privatize.

So we got into this very confusing privatization of Medicare in order to provide some kind of prescription drug benefit, which does not even start until the year 2006. So I have all along said it is a very political thing to do. If you want to provide a benefit, you provide it immediately. You do not wait until after the next election, or really way beyond even the next election.

I want to talk about the discount card program, but if we look at the benefit that is supposedly to be provided beginning in the year 2006, we find that you have to put more money out of pocket into it than it is worth in terms of what a senior actually gets. There is a huge gap, some call it a donut hole, where you do not get any benefits, but you keep paying the premium. There is no designated premium, and there is no guaranteed discount.

In fact, there is a provision in the Republican-passed bill that was sponsored by the Republicans and supported by the President that says that the Secretary of Health and Human Services, the Medicare administrator, cannot negotiate prices because they do not want the Federal government negotiating prices or providing any discount. And, frankly, that is because the Republican bill was written by the drug industry; and they want to make money. They do not want to lose money by having discounts.

We can get into what is going to happen in 2006, in another couple years, because we have a lot of time. But, in the meantime, what the Republicans put in their bill was that, beginning June 1, which is today, and until the time that the so-called benefit kicks in, more than 2 years from now, that they would provide these discount cards. And that was, of course, the discussion by my Republican colleagues in the last hour and what I would like to get into tonight.

I would say just the opposite of what my Republican colleagues said earlier, that there is no benefit to these discount cards. I do not even see how anyone will get a discount because the prices of drugs have gone up way beyond whatever discount might be provided. And this system is so terribly confusing, there is really no way to

even figure it out unless you have access to the Internet, which many seniors in my district do not. And when they do sit down on the Internet, seniors are going to be so confused trying to figure out which card to buy or whether to buy any card that, ultimately, they will not even bother. That is why so few seniors have signed up.

Imagine, an organization like AARP, the largest senior organization, they are offering a discount card. A lot of people signed up for their health care plans, for their medigap plans, and only 400 people nationwide signing up for their discount card. That really shows that people have a lot of skepticism, as they should, about whether or not this is something that is really beneficial to them.

Now, I just wanted to say that over the last month, in preparation for today, June 1, seniors faced the confusing tasks of shopping on line, looking on the Internet, and basically having to decide between 73 discount cards for more than 60,000 prescription drugs at more than 50,000 pharmacies around the country.

Now, this chart, to me, kind of tells it all. This is what I call mass confusion. This basically describes President Bush's drug card: Fifty steps, no promises. Fifty ways of trying to figure out which card to buy and whether you are going to get a discount and how it might help you, with no promises you are going to get any kind of discount whatsoever.

It is just unbelievable how difficult it is for seniors. There was a research firm that concluded, I think it was in today's New York Times, that the Medicare Web site was riddled with flaws that make it difficult for seniors to identify which card best fits their needs.

And for those seniors who do not have access to a computer, and there are lots of them, they are forced to rely on a 1-800 Medicare number, I think my colleagues on the Republican side mentioned that. Now, I tried that number a couple of weeks ago. I sat on the line for 30 minutes going through different menus before I actually got the chance to talk to a human being.

Does anyone think seniors should have to sit on a line for 30 minutes before they are able to even talk to someone about this or have to go on the Internet, when they may not even have a computer? The confusion is massive.

The New York Times reported today that the discount cards are off to a slow start. Fewer than one million seniors have signed up, well off the Bush administration's prediction of 7.3 million. I do not even think it is anywhere near the million, to be honest. The New York Times reported that AARP said that, "While it had received thousands of inquiries, only 400 people had signed up for its Medicare-approved discount card."

Prime Therapeutics, which manages drug services for seven Blue Cross/Blue

Shield plans offering cards, said fewer than a thousand people had signed up. And several other companies refused to tell The New York Times how many people have enrolled, probably because so few have enrolled.

Now, one might ask why, are seniors not more enthused about signing up for these discount prescription drug cards? Basically, it is because there is no guarantee they are going to get any discount. Medicare discount cards are being marketed as providing a 10 to 25 percent discount, but there is no requirement in the new law that the card sponsors must offer any specific discount. The idea of a savings is simply illusory. Prescription drug costs rose 17 percent alone last year, and drug prices are reported to have increased dramatically between the beginning of the year and now. So any savings have been lost to drug cost inflation.

In today's New York Times, Thomas Dickman, President of Prime Therapeutics, a pharmacy benefits company, said in many cases the rise in retail drug prices over the last year had wiped out savings already negotiated for members of Blue Cross plans his company helps manage.

Secondly, Mr. Speaker, seniors discovered there is no guarantee that a particular card will offer discounts on all the medicines taken by seniors. Card sponsors are allowed to pick and choose which drugs will be discounted.

In addition, card sponsors may change the discounted prices on medicines weekly. The discount on a senior's medicine that was advertised when he or she enrolled may change, but that senior will not be allowed to switch to a different card for one whole year.

If I have not lost you already, Mr. Speaker, let me go on. Imagine that a card sponsor can change prices any time they want, but seniors have to stick with the card for a whole year. Over the last month, seniors have also discovered there is no guaranteed access to any particular pharmacy. Each discount card sponsor will determine which pharmacies will offer the discount advertised with the cards. A senior's usual pharmacy may not participate in the card he or she selects.

Finally, after all this confusion, the actual price paid for prescriptions will vary by pharmacy. Because pharmacies can change the prices they charge, seniors must check with each of their local participating pharmacies to find out which offers the lowest price on the drugs covered under their card.

I do not know how you could not be skeptical and wonder why so few seniors have signed up for the discount cards over the last month up to today.

□ 2130

President Bush says, and one of my colleagues from Ohio is here, but I will say just one more thing before I yield to the gentleman.

The President has said that these cards will cut bills by 10 to 25 percent.

A new report out by Families U.S.A. shows prices on the five top-selling drugs for seniors increased 9.9 percent over the last year, wiping out any savings from the discount card.

We cannot do anything to help seniors out with their prescription drug bills, in my opinion, Mr. Speaker, until we actually do something about the drug prices. Democrats are fighting to lower drug costs in a straightforward way. We should allow the government to use the purchasing power of millions of seniors to negotiate lower drug costs. This is what we do with the VA. The gentleman from Ohio (Mr. STRICKLAND) has mentioned that before. This is what we do with the military, and also we should allow the safe re-importation of drugs from Canada and elsewhere.

Until we do these things and address the price issue, these cards are not going to provide any meaningful relief. They are a sad commentary on the ruse being pulled by the Republicans and by the President on such an important issue for seniors.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. STRICKLAND), who has talked about this many times.

Mr. STRICKLAND. Mr. Speaker, we are told that these drugs will provide a 10 to 25 percent discount. There is no guarantee of that, obviously. But we are told that is likely to happen. But here is what has happened. The drug companies have raised their prices already. So as someone said earlier today, it is like going to a used car lot to buy a used car, and there is a sign on the windshield which says reduced \$300. And the person buying the car does not realize, although they are buying a car that has a sign reduced \$300, the day before the car dealer had upped the price by \$400. That is what we are seeing here.

The drug companies have dramatically increased the cost of their drugs over the last year. Even AARP has complained that drug companies have upped their price. Now these cards come along, and seniors are told you are going to get a 10 to 25 percent discount, when the prices have already gone up so far it has made any discount meaningless.

I was here earlier, and I described something that obviously made some of my friends on the other side of the aisle quite upset. My colleague from Georgia was talking about the gentleman from Ohio, and I suppose he was talking about me. The fact is I described what happened in this Chamber. They do not like to hear what happened in this Chamber, but the American people need to know. This over-700-page bill was given to us on a Friday. We began to debate that afternoon and evening, debated until 3 a.m. when most normal Americans are asleep.

Now there is nothing wrong with working late or throughout the night if it is necessary; but there was no reason for us to do it in the middle of the night, no reason at all. But at 3 a.m.,

we are considering what is perhaps the most important domestic piece of legislation that has come before this House in many, many years, a piece of legislation that affects senior citizens. Most senior citizens I know are not likely to be awake and paying attention at 3 in the morning. The press is not likely to be here at 3 in the morning. In fact, they are not here now. So it was done at a time when the American people were not able to pay attention and follow the debate.

And at 3 a.m. in the morning, they called the vote. We are all here. A vote usually lasts 15 minutes, sometimes 17 minutes, occasionally as long as 20 minutes, but the usual time is about 15 to 17 minutes. At the end of that time period, this bill had failed. It had failed because it was a bad bill. It did not do what America's seniors wanted, and I believe those who were pushing it were quite frankly to have it debated in the afternoon.

Mr. PALLONE. Mr. Speaker, I want to point out, at that point there were a majority who voted "no." It was not even like we were waiting around to see who was left to vote. Sometimes we wait to see because Members have not voted. It was 218, which is a majority, voted "no."

Mr. STRICKLAND. We were all here on the floor, and so the bill had failed. Boy, if the American people could have watched the shenanigans going on on the other side. Quite frankly, there were a few on our side that were stressed by this vote, as well they should have been. It was an important vote.

The reports in the media indicate that they got the President out of bed in the morning at perhaps 4 a.m. to use his influence to perhaps change some votes. One hour passed and 2 hours passed, and it was approaching 6 in the morning.

One of our colleagues indicated to the media that he had been approached. His son is running for his seat, as he is retiring; and it was indicated maybe if he would change his vote, his son would get \$100,000. I do not know what that sounds like to the gentleman, but it does not sound like very good public policy practice to me. I think it would upset the American people if they fully understood what was going on here. So that kind of thing was happening on the floor of the people's House.

A bill that should have had the support of nearly all of us, if it had been a good bill, and at 6 in the morning or about 5 minutes to 6, leadership finally convinced a couple of freshmen to change their vote. When a Member changes their vote after all of the time has expired, they cannot do it electronically. The Member has to walk down to that table and take a card and sign their name to it and turn it in to the Clerk and the vote changes on the wall. That is what happened. A couple of freshmen came down the aisle and took a card and signed it; and at 5 min-

utes to 6 in the morning, they finally got this bill. It has turned sour on them, quite frankly.

Mr. PALLONE. Mr. Speaker, the gentleman remembers when the votes were switched and there were now 218 for it, how long did they wait to close the board?

Mr. STRICKLAND. Mr. Speaker, almost immediately. They finally were able to wring out a number of votes. And the reason it was so difficult to pass this bill is because it was not a bill that was written for the seniors; it was a bill that benefits the pharmaceutical companies and the insurance companies.

If I can just take another moment before I yield back to my friend, there are two really terrible parts of this bill, and the first part the gentleman mentioned earlier. It explicitly forbids the Secretary of HHS from negotiating with the pharmaceutical companies to get cheaper drugs for our seniors.

The Veterans Administration gets discounts for the veterans of this country. They are able to save between 40 up to 60 percent on the drugs, and yet this legislation specifically prohibits that. Why would that be? There is only one reason, and that is because the pharmaceutical companies insisted that language be in this bill.

The second really terrible part of this bill, and it has been referred to earlier, it specifically prohibits the reimportation of cheaper drugs from Canada unless the Secretary gives his approval, and he said he is not going to do that. So what do we have here? We have a discount card that provides a level of discount that does not even in most cases match the increase that has occurred over the last few months.

Seniors know what is going on. I go to senior groups in my district. And I explain to them the specific provisions of this legislation. When I talk to them about the big donut hole, the gap in coverage, when I explain to them that there is an assets test for an individual like \$6,000, even a person's burial plot is included in the assets test, they audibly gasp and they gasp because they find it difficult to believe that their government, this President and the leadership of this House of Representatives, would do this. But it is the truth.

My friends on the other side of the aisle may not want to hear it, but American seniors need to hear it because it directly affects their lives.

Mr. PALLONE. Mr. Speaker, I want to follow up on two things that the gentleman mentioned with this chart. The gentleman spoke about the reimportation from Canada which is not allowed now, and the other is negotiating the prices, which the VA does. And the gentleman is a champion of the veterans; and even though the Republican Congress and the President have cut back on a lot of health care funding for veterans, they at least allow the negotiated discount, but they will not allow it for seniors.

Earlier this year, the Committee on Government Reform senior Democrat,

the gentleman from California (Mr. WAXMAN), conducted a comprehensive report comparing the new Republican discount drug cards with three other sets of prices; and what the gentleman did was compare the drug card prices to those that individuals pay for the same drug in Canada; and, second, compare prices of those for drugs purchased by the Federal Government on the Federal Supply Schedule, and those are the prices that are negotiated by the Department of Veteran Affairs and are available to a number of Federal agencies, including the VA, Department of Defense, and also the Coast Guard.

Now, what this chart shows, and I just took some of the drugs, the prices are indicative of the prices available, and let me just show some examples. Some people may not know what these drugs are, so I have another little sheet which tells me what they are. The first one is Aricept, I do not know if I am pronouncing it right, which is basically for Alzheimer's. If we look across, some of the prices available through the new Medicare cards for Aricept, this drug, Pharmacy Care Alliance, \$139; Walgreens, \$135; RxSavings, \$132. This is the Federal Supply Schedule which is the negotiated price that the VA uses, \$76 which is half, approximately, of what the discount cards are quoting. If we look at Canada, \$119, less also than those three.

I will just go through a few more. Celebrex which is for pain, again the discount cards, Pharmacy Care Alliance, \$121; Walgreens, \$81; RxSavings, \$85; Federal Supply Schedule, which is negotiated with the VA, \$62. So they are significantly less. Canada, \$38.

Mr. STRICKLAND. Mr. Speaker, as the gentleman shares these numbers, and I see the very significant savings that would be available to seniors if we were able to negotiate these discounts for them under Medicare, and when I see the great savings that are available to the people who live in Canada, I feel real anger because I really do not believe there is any way to justify what is happening here other than the fact that the pharmaceutical industry owns this Chamber and the administration is doing everything they can to protect them.

Can the gentleman think of another explanation of why it would not be possible to have these drugs sold at these reduced rates for our seniors? If the veterans can get these prices and if the Canadians can get these prices, how can we justify a senior citizen having to pay two or three times as much as someone who lives in Canada? It just is one of those things that when I talk to my constituents and they bring up the subject, I do not have an answer for them because it is irrational. There is no rational explanation as to why this government should not protect our seniors and allow this discrimination, this unfairness in terms of pricing to continue month after month, year after year.

I really do believe that the leadership of this House, my colleagues on the

other side and the President of the United States, have to answer this question to America's seniors: Why are you allowing this price discrimination to continue?

The only reason that I can think of is because the pharmaceutical companies are asking them to or demanding them to, which is not right.

Mr. PALLONE. There is no question about it. I went to a forum a couple of months ago, the Bloomberg Forum, a program on TV, and there was a professor from Princeton, and the rest of the representatives on the show were from the pharmaceuticals, and it was clear that they saw this prescription drug benefit and discount card as a way to make more money.

□ 2145

That is all it was.

I wanted to mention, I am not going to go through all these, because you can just generally see how much cheaper it is with the negotiated VA price or even lower with the Canadian price, but we keep talking about seniors because we care about seniors, and that is what this Medicare program is supposed to be all about. But I would like to remind people that these figures for Canada, that is for the public at large. That is not just for senior citizens.

In other words, we have to remember I think constantly that people who are not seniors are totally subject to whatever the price is, whereas in other countries, like Canada, these discount prices are available to the general public.

Mr. STRICKLAND. Mr. Speaker, if the gentleman will yield further, I want to thank the gentleman for reminding me and all of us of that fact.

I talk to people frequently in my district who suffer from various kinds of arthritis, osteoporosis and other kinds of chronic illnesses and diseases, and some of them are unemployed. We have lost a lot of jobs in Ohio, especially a lot of manufacturing jobs, jobs that at one time provided good health coverage for the worker and the worker's family. Many of those jobs are now gone. So these folks, who are maybe 45, 55, 60 years old, they do not even qualify for Medicare yet, and they are out of a job and have lost their health care and need these medicines.

So I want to thank the gentleman for bringing that reality to this debate tonight, because there are people who are not seniors who are terribly, terribly in need of help with their medications.

Mr. PALLONE. Mr. Speaker, reclaiming my time, the other thing I wanted to point out, and not to necessarily keep pointing to this chart, but I think it says so much, you can look on the Internet, we have made an issue, and the gentleman and I know well that a lot of seniors do not have access to an Internet, but if you do have access, what do you need the cards for?

You can look on the Internet for a Drugstore.com, Costco.com, and there are a lot of other Internet sites, where

they have the same drugs for either about the same cost or slightly less.

Mr. STRICKLAND. And, if the gentleman will yield, you do not have to pay \$35 for the card.

Mr. PALLONE. So one of the things that a number of my seniors told me, they said, I have finally got the Web site, and I got on it, and I compared the prices to figure out whether or not I wanted to take one of these cards; and then I went to one of the other Internet sites, and the prices were less. So why buy a card at all?

It is so absurd. I listened to my colleagues on the Republican side tonight, and I know they mean well. I am not suggesting they do not. I know they feel strongly about this issue, as we do. But it is either their ideology or allegiance to the pharmaceuticals, as the gentleman says, or something that is getting in the way of reality here, and it should not.

This is important. We have got to do something that is helpful to seniors, not worry about the ideology or whether or not you have got a prescription drug company in your district or all these other things that they seem to be concerned about.

Mr. STRICKLAND. Mr. Speaker, if the gentleman will further yield, I sometimes wonder if the leadership of this House and the President of the United States understand the pain that is being felt by people throughout this country.

I can only speak for my State and my district, but Ohio is part of the heartland of this country. It is a State that I think is a microcosm of the larger Nation. We have got large cities such as Columbus, Cleveland, Toledo, Akron, Cincinnati and Youngstown. We have the urban areas. We have large agricultural operations. We have got a huge part of Appalachia that is contained in Ohio in small towns.

What I am trying to say is, I really do believe that, because of the State and the district that I represent, that I have an understanding of the kind of pain and struggle that people are encountering today.

With regard to the loss of living-wage jobs, many of the jobs being created to replace the manufacturing jobs pay 35 percent or less than the jobs that have been lost, and these new jobs oftentimes do not provide the kind of health care coverage. So there is a lot of pain throughout this country, and I just sometimes think that the President, coming from a privileged background as he did, and I do not fault him for that, but sometimes I wonder if he actually knows what life is like for someone who has an income of \$13,000 or \$15,000 or \$16,000 a year and is trying to pay bills and raise kids and especially if they do have medical problems. It is a huge, huge issue.

One of the reasons that I most opposed this bill that passed here in the House in the middle of the night was I see it doing nothing to really bring down the cost of prescription drugs for

seniors. The way to bring down the cost is to increase the competition, and you increase the competition by allowing less costly drugs to be imported from Canada. That would bring down the prices overnight.

Another way to bring down the cost is to have Medicare be able to negotiate for the senior population. If Medicare had a prescription drug program that was part of the traditional Medicare operation, Medicare would be the largest buyer of prescription drugs probably in the entire world, so Medicare would be able to negotiate and bring down the price of these drugs.

But I see nothing in this bill, which has been passed here in the middle of the night after a lot of arm twisting, I see nothing in this bill that actually deals with what I think is the core problem, and the core problem is the cost of the drugs and the fact that they escalate 17 to 27 percent in a year's time. So you give someone a 10 percent discount, and if the drugs have gone up 17 to 27 percent, what have you accomplished?

It seems to me like we are playing games here. Why do we not just say that Medicare works? Seniors trust Medicare. They know they have hospital coverage through part A, they have physician coverage through part B. Medicare part C is for the managed care portion. Why do we not just add Medicare part D and make that a prescription drug benefit and allow the Secretary to negotiate discounts for all of the seniors? That could bring down prices immediately, and it would be easy to administer. Seniors could understand how to access the benefit.

We have created a huge bureaucracy here. My colleagues were talking earlier about the hundreds and hundreds and hundreds of new people that Secretary Thompson has had to hire just to answer the phones to try to get people a timely response.

Mr. PALLONE. The gentleman might also want to mention the cost paid for the ads. They had an initial ad campaign that was \$20 million and another one subsequent, I think another \$18 million, that basically promotes the prescription drug cards. In my opinion, they are not really honest about what people would get.

I guess it was the week before the break, a couple of weeks ago, the GAO came out and said it was probably illegal to spend the money because it was essentially a ruse, it was really propaganda, it was not really informational, and they should not have been spending taxpayer dollars on it.

So between the ad campaign and the extra people hired on the phone, the cost has got to be unbelievable. I do not know what the cost is, but it is huge.

Mr. STRICKLAND. If the gentleman would yield further, I keep referring to my friends on the other side of the aisle and the fact is I do think this is an honest debate and there are honest differences, but why would we have to

spend tax dollars to try to convince seniors this is a good thing if in fact it is a good thing?

The General Accounting Office, as the gentleman pointed out, is the arm of the Congress that actually oversees the expenditure of tax dollars to make sure that they are spent properly and in accordance with the law. And it is true they have said, wait a minute, this is probably an illegal expenditure of funds because it was not informational in nature, it was an attempt to convince seniors that this was a good deal when in fact many of us are convinced that it is not a good deal for seniors.

I have had seniors say to me, Congressman, what should I do about this card? What card should I choose?

I have said to them, go talk to your local pharmacist, because I do think your local pharmacist may be in the best position to really advise you. But many of my local pharmacists are very upset with this. They know it is not a good deal.

As I think about this, something else just came to mind that I think the American people need to know. Many already know, but some may not have heard. When this bill was first presented to us by the President, many conservatives on the Republican side of the aisle were terribly concerned that it was going to cost too much; and they in fact apparently drew a line in the sand and said, if it costs more than \$400 billion, we simply will not support it. So the President said, it will not cost more than \$400 billion.

Then, after the bill passes, we find out that the chief actuary at the Department of Health and Human Services had actually determined that it was not going to cost \$400 billion, but it was more likely to cost I think about \$551 billion, and he indicates that he was basically told if you inform the Congress of the true cost, you lose your job.

Those kinds of actions are indefensible. I think they are shameful.

Mr. PALLONE. Reclaiming my time, there is still an investigation within the Department as to whether or not that was a violation of law, too, because the actuary is supposed to be nonpartisan and give out true figures. The fact he was told if you reveal those figures to Congress, which he is required to do, that you will lose your job, may also have been a violation of the law. We are still waiting for the result of that investigation.

Mr. STRICKLAND. If the gentleman will yield further, it was important for those of us who were faced with casting a vote to have that information but equally important that the American people deserved to know. It is their money that is being spent.

If we get to the point where we have an administration that purposefully works to keep information away from the people, then I think that is quite serious. I hope this investigation continues, and I hope whoever is respon-

sible is held accountable. Because one of the terrible things that can grow out of a situation like this I think is people come to distrust what they hear from their government, and if this is allowed to happen without being investigated and fully exposed, and those responsible punished for such misbehavior, then I just think it does great damage to our governmental processes.

Mr. PALLONE. I do not want to belabor the point, but I just wanted to say a few more things before we conclude tonight, and that is that when we talk about the reimportation from Canada, and we are going to continue to fight to try to get that, we realize it is only a stopgap measure, that really what we should have is a comprehensive program that provides for lower cost drugs. But it certainly is something that could be done in the interim in order to create, as the gentleman said, true competition.

What we are seeing on this chart with these discount drug cards is not true competition. This is just a ruse. But, as the gentleman said, if you had reimportation from Canada, you would have true competition.

I have to say I have been a little disgusted with the way that the Bush administration has treated this issue. Because from time to time the Department of Health and Human Services gives the impression that they would maybe allow reimportation. We have even heard some of our Republican colleagues come on the Floor and suggest that Republican leadership might allow reimportation. But they always put an obstacle in the way.

The argument that they use most frequently is that it is a health or safety problem to reimport the drugs. I laugh at that. Not that I laugh, it is a serious thing. But it is not a problem. Because, as we know, the bill that we tried to pass basically said that you could only import drugs from FDA-approved facilities. These are the same facilities that are now being used to import the drugs that the name brand companies here are using.

I tried to explain this to one of my constituents the other day. When I finally explained it, they just said, how can that be?

One of the drugs that is on here, I forget which one it is, but one of the drugs on here, actually the majority of the raw material is manufactured in Ireland, something like 60 or 70 percent, and it is packaged in Ireland and sent over here for the major brand companies, and then they sell it in the United States. That is an FDA-approved facility, where the FDA goes in, inspects it, does the same type of thing they would do at a facility in the United States, and it is being used now.

So how in the world, if you say that these drugs have to come from an FDA-approved facility in Ireland or France or Italy or wherever it happens to be, that there is a safety problem? It is just absurd. We are using them now.

Mr. STRICKLAND. If the gentleman would yield further, I would like to

point out to my friends that, to my knowledge, the FDA has not identified a single death that has occurred as a result of a senior or an American taking one of these drugs imported from Canada.

□ 2200

Not a single case. Now, we have had several deaths occur as a result of onions being imported from Mexico, and I do not see any attempt to block the importation of food into this country from Mexico and other countries.

It is crystal clear to me as to why this is happening. The pharmaceutical companies know that if Americans can get these drugs from Canada, pay less for them, that their profitability will be affected. I mean, it is as simple as that. So here we have citizens in Belgium and France and Germany and England and Italy and wherever, Canada, buying drugs and paying less for them than citizens in the good old United States of America; and the pharmaceutical companies say, wait a minute. If you do anything that is going to interfere with our profits, then we will not be able to put adequate resources into research, and we will not be able to bring new and better drugs on stream. And I say bull feathers, quite frankly, for a couple of reasons.

Much of the research that is used by the pharmaceutical industry to develop these new and better drugs is research that is paid for already by the American taxpayer through the NIH and other agencies of the Federal Government. So the pharmaceutical companies benefit from that taxpayer-funded research, and then they get very generous tax benefits for the research they do. So here we have a situation where the American taxpayer is paying for much of the research, the American taxpayer is providing certain very generous tax benefits to pharmaceutical companies for the research they do, and the American taxpayer is paying two or three times as much for the drugs that those companies produce, as do citizens in nearly any other country on the face of this Earth. It is gross discrimination against the American consumer. We are, in fact, as American consumers, subsidizing the pharmaceutical companies, and we are subsidizing the cost of drugs for citizens in all of these other countries. That is really a shameful set of circumstances.

Mr. Speaker, I just wish I could have the President to take him to Belpre, Ohio, or down in Lawrence County or Marietta or up in Youngstown, throughout my district, to sit down with seniors and have him try to explain to them why this is a fair system. How can it be fair when our citizens are paying the cost, much of the cost that goes into producing these drugs and, at the same time, paying more for them when they go to buy them to use them. It just does not make sense.

Mr. PALLONE. Mr. Speaker, I just wanted to say one more thing if I could

in conclusion tonight. One of the things that the Republicans keep saying is that they wanted to put this 2-year program with the discount drug cards in effect first, before the larger so-called benefit, prescription drug benefit, came into effect in 2006 because they wanted to show that privatization and the kind of competition, if you will, that is created under this very confusing system was the way to go, rather than the traditional Medicare; and that was supposedly to show the public that what was to come was going to be a good thing.

I have always said, and that is why I think today, June 1, is so significant, that when the public actually sees what this benefit is that the Republicans are offering them, they are just going to talk with their feet and not participate in it. I think that today, the fact that we found out today that for AARP there were like 400 of their members who signed up and for the other one I mentioned, with Blue Cross and Blue Shield, there were less than 1,000, that that is exactly what is happening.

People have clearly looked into this. If they have a computer, they have looked on the Web site and they decided not to participate. And I think that is very telling, because what it says to me is, if the seniors are not going to participate in this program because they realize it is not worth anything, hopefully that sends a message that the larger program to come in 2006, which is no less beneficial, in my opinion, also is not going to be helping any seniors. I hope that we do not have to wait until 2006 and that we can get rid of all of this garbage, really, this experiment in confusion before then, before 2006 and actually get the political wherewithal to pass a real prescription drug benefit.

The gentleman from Ohio and I, because we are on the Committee on Commerce and we are on the Health Care Task Force, and we were part of the group that put together this alternative proposal that would just expand Medicare, and I am just going to say one more time, because it is so simple. It is just like part B. Part B is voluntary for their doctor bills, and 99.99 percent of seniors participate. Most seniors do not even know it is voluntary, because they would not think of not participating in it. In that program, you have a \$100 deductible, 80 percent of the cost is paid for by the Federal Government, 20 percent co-pay, you go to any doctor you choose. We are just saying do the same thing with prescription drugs. Have a \$25 month premium. If you cannot afford it, then you would not pay it, but most seniors would pay it; a \$100 deductible, 80 percent paid for by the Federal Government, 20 percent co-pay and, most important, that there is a negotiated price reduction which will bring the cost down, as the gentleman said happens in the VA, 40 percent, 50 percent, sometimes even more.

I am just hoping that when the seniors see that this is worthless and they do not participate in it, that we can build some political momentum over the next few months or the next year to actually put in place a good program, because I would like to see this whole Republican plan just repealed. There is nothing to be saved here, no money to be saved and no benefit.

Mr. STRICKLAND. Mr. Speaker, I was listening to my friend on the other side earlier, and the chairwoman of the Subcommittee on Health indicated that those of us who oppose this bill wanted to do nothing. Well, that is so far from the truth. We had an alternative; we just were not allowed to present it.

Our alternative would have provided a prescription drug benefit that was a part of traditional Medicare, easily administered, easily understood, a program that seniors could trust just as they trust Medicare today; and it would have happened, but for the other side who just are so into privatization and, quite frankly, many of them do not believe in Medicare and consider it socialized medicine. It has even been referred to by some Members on the other side as a Soviet-style health care system. Well, I think most seniors in this country feel pretty comfortable with it, confident in it. They think it is a good program, and there is just simply no reason why we could not add a prescription drug benefit.

One of my fears regarding what has happened here is that I do believe that this is an attempt on the part of the Republican Party to begin the full privatization of Medicare, so that in the years to come, Medicare will no longer be a guaranteed benefit with a guaranteed premium, but seniors will be forced to face the private sector and all that that involves.

I think this is a very clear-cut choice. I do believe that this is going to be a big issue this November. As seniors go to the polls to vote, I think they are going to have to choose between those who would want to privatize Medicare and those who want to strengthen Medicare and to expand it to include a prescription drug benefit.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, he will remember that when they first proposed the Medicare bill, they had a privatization component for not only the prescription drug program but the whole of Medicare; I think it was by the year 2010. Essentially, you were going to get a voucher, and you would just be given a certain amount of money to go around, and it would be the same type of thing. You would probably go on some Internet site and you would see what kind of programs were available that you could use your voucher to buy. But if you wanted to do something that cost more than the voucher, then you had to pay out of pocket. And there was so much opposition to that, that they ended up making it just a pilot program. But under the law that

was passed that includes the discount drug card, that pilot program does go into effect in 2010 in a number of, I think, 20 percent of the different regions of the country. We are not talking just about prescription drugs now; we are talking about the entire Medicare program.

Mr. STRICKLAND. Mr. Speaker, if my friend would just yield for a final comment, the seniors of this country, the senior citizens in this country need to understand that what we are dealing with here is an administration that appears to want to obliterate, to get rid of, Medicare as we know it, to make it more of a privatized system where the government no longer has the ultimate responsibility to carry out the promises to provide this defined benefit, guaranteed benefit, guaranteed premium, to all seniors, so that regardless of where the senior lives, they are going to pay the same premium; regardless of where the senior lives, they are going to be entitled to the same benefit. We could just mongrelize, if that is a word, this program so that depending on what State you lived in or what city you lived in, you may have to have a higher premium, you may be denied certain medical benefits and so on.

I do not think that is what America's seniors want, quite frankly. I think they want Medicare to be strengthened, to be expanded to include a prescription drug benefit; but they want Medicare to remain, and they do not want it privatized.

Mr. PALLONE. Mr. Speaker, I just wanted to say that we are going to be down here, and we are going to continue to fight for what we think is right on this issue. I know today is June 1, which is the first day that this discount drug program goes into effect; but it is very important to point out that it has so far failed, and the reason it has failed are the same reasons that I think that the larger program itself does not make any sense; and we need to keep fighting to make sure that the public understands.

FEDERAL SPENDING AND FISCAL RESPONSIBILITY

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 54 minutes, unless the remaining speaker does not come to claim her time, in which case he has a full 60 minutes.

Mr. SMITH of Michigan. Mr. Speaker, 54 minutes probably is very adequate. I was sitting up in my office listening, reading letters from constituents, letters that wanted more money for the AIDS program, letters that wanted more money over the approximately \$29 billion that is going to our foreign support programs. They wanted more money for food stamps, letters coming in wanting more money for health care, wanting more money for