

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

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

#### EXCHANGE OF SPECIAL ORDER

Mr. STRICKLAND. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from Massachusetts (Mr. DELAHUNT).

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

There was no objection.

#### WAR ON TERROR

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

Mr. STRICKLAND. Mr. Speaker, in just a few short days, the American people will make a decision that will determine the future of our Nation for at least the next 4 years and maybe for the next four decades. We find ourselves in a situation where more and more Americans are losing their health insurance, more of our retirees are in fear that their retirement benefits will be reduced or eliminated, more of our young people are finding it increasingly difficult to afford a college education, more of our senior citizens are finding it impossible to buy the medicines they need, and, sadly, more and more of our American troops are losing their lives on a daily basis in Iraq and literally thousands of our troops have been and continue to be wounded in that war.

We find ourselves with the situation in Afghanistan where the Taliban is reconstituting its authority and power and we face the situation where long after our country was attacked by the terrorists, the mastermind of those attacks that took the lives of our citizens in New York and Pennsylvania and here at the Pentagon in Washington, the mastermind of that attack, of those attacks, Osama bin Laden, is still on the loose. We know not where he is. He is seldom mentioned. Yet the President claims that we are winning the war on terror when the major terrorist has not been apprehended and continues to be free to plan the next attack whenever or wherever that may occur.

The President spoke at the Republican Convention for 63 minutes, quite a long time, and yet he never once mentioned the name of Osama bin Laden. Osama bin Laden, the man who orchestrated the attacks upon our country. Osama bin Laden. Not Saddam Hussein but Osama bin Laden. It is almost as if the President has forgotten how to pronounce that name. I point this out for I think a very legitimate reason. As long as the person who was responsible for attacking our coun-

try is still on the loose, has not been apprehended, is it not reasonable to assume that the American people would conclude that we are still threatened by this man? That regardless of what we have been able to claim in Afghanistan, we have failed in the primary mission?

The President told us shortly after September 11 that Osama bin Laden could run but he could not hide. Those were the President's words. He can run but he cannot hide. The sad truth is that he ran and he has successfully hidden and this night he is somewhere planning the next attack. Symbolically, he is the hero to the terrorists. And as long as Osama bin Laden is on the loose, the terrorists can say they have not yet defeated us.

I get a little tired of hearing the rhetoric that is coming from the White House, that is coming from Secretary Rumsfeld and occasionally from Colin Powell, although he tends to be a little quieter about it. I get a little tired of hearing from Vice President DICK CHENEY that things are going well, that we are winning in Iraq. The fact is that much of Iraq is off limits to our soldiers. They are called no-go zones. Our soldiers cannot go there. Well, they can only go there if the Iraqi interim governmental leadership wants them to or says they should, and in those cases they may wander into those no-go zones. They tell us we are going to have elections in January. Yet with much of Iraq off limits, I wonder, and I think it is a legitimate question to ask, how can we have elections when we cannot even enter large cities in Iraq?

The President needs to come clean with the American people. He needs to tell us the truth. We are capable of dealing with the truth. We are not capable of dealing with misleading deceptions and what I consider manipulation and deceit on the part of this administration.

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

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

#### MEDICARE

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

Mr. BROWN of Ohio. Madam Speaker, it is easy to understand why President Bush and the Republicans have had such a hard time selling the Medicare law to the American people. Their Medicare law has more than its fair share of dirty laundry, as we can see from this chart. Cost estimates hidden

from Congress, the administration violated ethics laws, Members of Congress strong-armed to change their vote. We know this Medicare bill was passed in the middle of the night. The roll call was kept open an unprecedented 3 hours. One Member was literally bribed on the House floor, he claimed, the next day, or they attempted to bribe him on the House floor, a Republican leader attempting to bribe a Republican Member.

Seventy-eight different drug cards with no guarantee. Breaking the deal on drug reimportation which the gentleman from Illinois (Mr. EMANUEL) will talk about in a moment. And the crowning point was that Medicare Part B premiums increased a record, 39-year history of Medicare record of 17.4 percent.

This bill had big problems from the start, from its passage, as I just pointed out, using threats and bullying to suppress an internal estimate, the middle-of-the-night vote, the bribery on the House floor. The administration then turned around, spending tens of millions of dollars on infomercial-style ads making Medicare almost look like an item for sale on the Home Shopping Network. That bad process, the middle-of-the-night, the bribery, the campaign contributions, the sleazy kind of tactics to get this bill passed, the expenditure of tax dollar money to sell a bad product to the American people, that whole process, that bad process resulted logically in a bad product.

□ 2130

The drug benefit offers a part-time response to a full-time problem, requiring year-round premium payments for drug coverage that ends in August. And the Medicare law is confusing, handing seniors a stack of discount cards and saying if they cannot figure this out, here is an 800 number. The Medicare law does nothing to contain the skyrocketing cost of prescription drugs. Instead, instead, the Republicans and the President went out of their way to write the drug industry a blank check. No surprise there. This bill means \$180 billion, with a "b," in extra profits above and beyond what the drug companies' record profits already are, \$180 billion in extra profits for this drug bill; and, again no surprise, to complete the circle, the drug companies have given President Bush and Republicans in Congress tens of millions of dollars for their campaign.

We will hear more about these and other serious flaws in the Medicare law from the gentleman from New Jersey (Mr. PALLONE) tonight, from the gentleman from Illinois (Mr. EMANUEL), and from the gentleman from Ohio (Mr. STRICKLAND).

I want to get started by talking for a moment about the Bush Medicare premium hike. We heard about it. It was in the papers. Despite the Bush administration's efforts to keep it as quiet as possible, they released the information about the biggest Medicare hike in history, a 17.4 percent premium hike.

They released it on the Friday before Labor Day, hoping people would not notice. But the biggest premium increase in Medicare history, they just cannot keep it quiet. So the news that Saturday was all about the Bush administration's plans, President Bush's plans to impose a 17.4 percent Medicare premium increase. The Republican spin machine is nothing if were not tenacious; so faced with bad news, they did what they always do, they blame the Democrats or they blame someone else. In this case they tried to convince us that Democrats are really the reason the premium hike happened. The fact is Republicans control the House, they have for 10 years, the Republicans control the Senate, the Republicans have had the White House. During the Clinton years, premiums stayed almost even for the last 4 years of the Clinton years, the second term of the Clinton administration, and now they have jumped up.

In fact, before the Bush Medicare bill became law, the nonpartisan Medicare trustees estimated the monthly premium increase for next year would be \$2. After the Bush Medicare bill became law, the premium increase jumped to \$11.60. That is per month. That is not much to a Member of Congress, but a senior citizen whose Social Security only went up 2, 2¼, 2½ percent, when faced with a 17 percent increase, well over \$100, that is a serious amount of money. Five times larger than the premium increase estimated before the Bush Medicare law.

So where is that money? Where is that billions of dollars, the 17 percent increase, the billions of dollars that seniors have to pay out of their pockets? Whose pockets is that money going into? Where does that money go?

The fact is much of it is going into the pockets of Medicare insurance HMOs. The Medicare law creates a \$23 billion slush fund that HMOs can use to lure seniors out of traditional Medicare into their private insurance plans. Seniors already spend 25 percent of their income on out-of-pocket health care costs. The Bush Medicare law hands them a giant increase in their Medicare premiums.

HMO profits already this year have jumped 50 percent over last year. Now we are giving them this \$23 billion. And here is how it works: Last March the government, taxpayers, gave the first \$229 million payment to insurance company HMOs. In April, taxpayers gave another \$229 million payment to insurance company HMOs. In May and June, all the way through this year and all the way through next year, \$229 million every month from taxpayers to insurance company HMOs. But do my colleagues know something? Seniors do not get the prescription drug benefit until 2006. So \$229 million for 22 straight months go from seniors through this premium increase and taxpayers directly into the pockets of insurance company HMOs before they even get a drug benefit.

So it makes us wonder why. And the answer to the question why is insurance companies and drug companies wrote this Medicare bill, insurance companies and drug companies benefit from this Medicare bill, and the President and Republican leaders get major campaign contributions from the drug and insurance industry. It is all pretty simple. It is also corrupt. It is also outrageous. It is also morally reprehensible. And it is also something that we all need to think about when we make a decision this fall, come November 2.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. EMANUEL), who has been a leader particularly in the reimportation issue. One of the most important things this Congress has failed to do; that is, getting the price of prescription drugs down.

Mr. EMANUEL. Mr. Speaker, I thank the gentleman from Ohio for yielding to me.

As he knows, the whole debate about prescription drugs was fundamentally about the price and affordability of those medications. What we all heard in our districts and different areas, at shopping malls, senior centers, and from people at their pharmacies, was that seniors could not afford the medications they needed. And the idea of a prescription drug benefit, when Medicare was first created, prescription drugs as a cost of a senior's health care budget was about 10 percent. Today it is about 60 percent, and yet we did not cover it. And the whole concept here was to deal with the price and affordability of prescription drugs for our seniors. We had this historic opportunity.

Pharmaceutical companies over the next 10 years, the length of this bill, are going to walk away with \$140 billion in additional profit just from this legislation. And what do they get? No reimportation, which they did not want. No bulk negotiations, turning Medicare into one giant Sam's Club, negotiating prices like Sam's Club does for consumers, and they got weak provisions as it relies on generic medications coming to market to compete with name-brand drugs. Everything that had to do with price and affordability, pharmaceutical companies got what they wanted, check, check, check, and they got \$140 billion in additional profits.

HMOs got an additional \$130 billion worth of profit, and they too got what they needed most, which are bigger payments. But yet a GAO study showed on a demonstration project that HMOs and PPOs show no financial advantage to the taxpayers, no medical competition that was supposed to be. In fact, the beneficiaries get few advantages. That is the GAO report on this new benefit. What do they walk away with? A hundred and thirty billion dollars in taxpayer-supported additional profits.

Last week in "The Hill," our journal here in the Capitol, there was an article about a Republican lobbying firm that is paying \$4,000, funded by phar-

maceutical companies, per senior citizen. They can find who will speak positively about the pharmaceutical prescription drug benefit. A \$4,000 bounty. We have a \$10 million bounty on Osama bin Laden; so we are now going to add happy seniors to that group of people that Republicans cannot find.

Mr. STRICKLAND. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, what I think I heard the gentleman say sounds almost unbelievable.

Mr. EMANUEL. Mr. Speaker, does the gentleman want me to repeat it?

Mr. STRICKLAND. If he would, Mr. Speaker, but what I think I heard him say was that the pharmaceutical companies are offering a senior citizen \$4,000 if they will be willing to say something positive about this benefit?

Mr. EMANUEL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. EMANUEL. Mr. Speaker, in "The Hill" article, our paper, a Republican lobbying firm who has Pharma as its client was offering a bounty of \$4,000 per senior if that senior would come forward and say they are having a positive experience under the prescription drug benefit.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, they would prefer that this senior not announce that they are getting the \$4,000 from the drug companies when they say that, I would understand.

Mr. EMANUEL. Right. But if the gentleman would continue to yield, Mr. Speaker, that was in the article. And my view is, I mean, it would be better if they gave a \$4,000 prescription drug benefit. Maybe it would be much better if they just gave the benefit of \$4,000. We would have accomplished what we set out to do.

We introduced in a bipartisan fashion a concept of reimportation, allowing people to get access to the same name-brand drugs that they have in Canada, that we have here, that they have in the United Kingdom, in Ireland, Scotland, Amsterdam, France, Germany. All those medications that we get on our shelves they get for 40 to 50 percent cheaper than we get here. On my Web site, I have a Costco in my district. It is a big discount retailer. There is a Costco in Toronto. I list the ten drugs in the Costco versus the Costco in Toronto. The same store retailer, the same discounter, the same low prices. People save \$1,200 if they go to the Costco in Toronto versus the Costco in Chicago for the same ten drugs.

Reimportation brings competition to bear, and the pharmaceutical companies do not want price competition because they see the senior citizens, they see the taxpayers, as their piggybank to fund them. They use the American seniors and our taxpayers as their profit margin. People in Canada, their government is doing their job. They are

getting low prices. People in the United Kingdom and France and Germany, their government is representing their people. They are getting low prices. And we are getting the shaft and we have allowed it.

And the amazing thing is that this is not an accident. This is by creation by the government to create artificially high prices to benefit the pharmaceutical companies.

I have no problem with funding the research and development of new drugs. I have a problem when the taxpayer funds those drugs with taxpayer-paid dollars through the National Institutes of Health or the caps on research and development, a 50 percent write-off for R&D. And then I have a problem with turning around and saying to the same people who paid for that research that we are going to charge them twice as much as what the people in Canada and Europe get charged.

If we brought competition, the principles of the free market, to the pharmaceutical products, we would have the same prices as Canada and Europe. Bring some competition. But what do we do? We have got a closed market. We have got artificially high prices, and we have got senior citizens and taxpayers being shafted. That is what this Medicare bill did.

And let me say this: What is happening is not a coincidence. It was done by design. So do not walk up and say how did this happen? My colleagues do not think that the prescription drug companies and pharmaceutical companies pushing for a prescription drug bill did not know what they were getting when they got the \$140 billion in additional profit and no restraints on pricing? My colleagues do not think the HMOs were spending the type of money they were spending on lobbyists and contributions to get \$130 billion of extra profit and people getting worse care or not as good of care as guaranteed under Medicare? This was done by design. The results we have are the results of what they literally did when they drafted the legislation.

I would like to thank my colleague for allowing me to explain to people this bill. And the good news is our seniors know exactly what they got, which is why they are angry.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, what the gentleman from Ohio (Mr. EMANUEL) said about Costco, think about that. This is the same company, one in Toronto, one in Chicago, the exact same company, and it is not Costco that is marking up the prices in the United States. Obviously they buy their drugs from a U.S. wholesaler connected with the drug companies, and in Canada they buy them from a Canadian wholesaler which has negotiated cheaper prices. And Costco could not buy its drugs that it is selling at the Toronto store and ship them to its Chicago store because the Bush administration will not let them.

That is why this break in the deal on drug importation is so important that we are simply saying, as the gentleman from Illinois (Mr. EMANUEL), the gentleman from New Jersey (Mr. PALLONE), and the gentleman from Ohio (Mr. STRICKLAND) have said many times, that we have NAFTA, we have the North American Free Trade Agreement. We are allowed to buy and sell across country lines, but we are not allowed to go to Canada and buy those prescription drugs, bring them back to the United States, and sell them at a much lower price. The same drugs, the same packaging, the same manufacturers, the same dosage, everything.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from Ohio (Mr. BROWN) and also the gentleman from Illinois (Mr. EMANUEL) for their comments because they are clearly right on point in talking about why this Medicare premium is going to increase so much in the next year and that this is directly the result of President Bush's policy and Republicans in this House's policy with the Medicare bill, the so-called Medicare prescription drug bill that the Republicans passed last year.

Sometimes I do not know whether to laugh or to cry. To laugh because the hoax that is being played by the Republicans and the Bush administration is so ridiculous, or to cry because of the fact of what the consequences are to America's seniors. And we have to understand, and I know all of us do, that this is something that is really going to hurt seniors. They cannot afford a 17.4 percent increase. These are seniors living on fixed income. The Social Security COLA this year, I do not know what it is, 2 percent, 3 percent, something like that.

Mr. BROWN of Ohio. Reclaiming my time, we do not know yet, Mr. Speaker, but it will be less than 3 percent.

Mr. PALLONE. Yes, Mr. Speaker. This Medicare Part B premium is five times the 17.4 percent increase, at least, of what their Social Security COLA would go up to.

Mr. STRICKLAND. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, so if a senior is on a fixed income and the Social Security premium goes up less than 3 percent and yet the Medicare premium goes up 17.4 percent, what is that senior on a fixed income to do when they are already living on the edge, they are already having a struggle to buy food and get their medicines, pay their bills, heat their homes? What are they to do? What does this President say to an 80-year-old man or woman who is living at the edge in terms of their income? What does this President say? What do the leaders in this House have to say to those folks?

Mr. PALLONE. Mr. Speaker, if the gentleman will continue to yield, I

have to be honest, one of my concerns is, I mean we know that 99 percent of seniors pay the Part B premium because it pays for the doctor bills, but I would not be surprised if we start seeing a significant portion of them that do not even sign up for Part B because they cannot afford the premium. I mean that is my fear.

And the other thing I wanted to follow up on, though, because I think it says so much about what is going on here and shows how the Bush administration and Republicans have caused this premium.

□ 2145

We have got to understand that the gentleman from Ohio (Mr. BROWN) said when President Bush spoke, he tried to give the impression that this was just some natural phenomena, or maybe even worse, it was caused by the Democrats.

This is directly the result of the Bush administration and the Republican Policy Committee, because when they passed that so-called Medicare prescription drug bill, what did they do? Essentially what they are doing is two things: one, giving more money to the insurance companies, particularly to the HMOs, and essentially trying to get Medicare privatized, to get seniors out of traditional Medicare, and this premium increase is a direct result of all that extra money that is going to pay for the HMOs or the other managed care agencies getting this increased money.

The other thing is it is the result of the fact that the Republicans are borrowing from the Social Security and the Medicare trust funds to pay for the deficit that has been the result, again, of their policies. They did all these tax cuts primarily for corporate interests and for wealthy Americans. They had to borrow from the trust funds, including the Medicare trust fund, to pay for those tax cuts, and created a deficit; and that is another significant reason why this premium is going up.

So when the gentleman from Illinois (Mr. EMANUEL) talked about the GAO study, which was in the New York Times, today the New York Times had an article on this GAO study, and it is just incredible, because what it found is that Medicare is spending \$650 to \$750 more per year for each beneficiary in these private plans, these managed care plans. Even though we are spending all this extra money, which is causing the part B premium to go up so much, we are finding that it is costing the government more.

I just want to read this. It was just amazing to me. The New York Times today, the front page: Federal investigators said Monday that the Bush administration had improperly allowed, once again breaking the law, some private health plans to limit Medicare patients' choice of providers, including doctors, nursing homes and home care agencies. Investigators from the GAO also found that the private plans had

increased out-of-pocket costs for the elderly and had not saved money for the government, contrary to predictions by Medicare officials.

They have been saying all along the reason we are giving this extra money to the HMOs and the managed care providers, in this case the preferred provider organizations, is because the beneficiaries are going to save money out of pocket. Now this finds out that that is not true.

So what do we have? We are giving the managed care companies more money. We are causing the part B premium to go up. As a result, the seniors are paying more out of money. And the Bush administration is doing all this illegally because they are limiting seniors their choice of doctors, nursing homes, and home care agencies.

The only person that benefits is the insurance companies and the HMOs. I guess, as the gentleman from Ohio (Mr. BROWN) said, the Republicans benefit, because they get campaign contributions and other things from the insurance companies. But there is nobody that benefits here.

Even with all this going on, McClellan, the administrator of Medicare, insisted that private plans were an attractive option that would save money and improve coverage for beneficiaries. That was his response to the GAO report. Incredible. I just do not know where it ends. It is sickening.

Mr. BROWN of Ohio. Madam Speaker, reclaiming my time, I want to reiterate that this did not have to happen. We have a very good Medicare system. One of the great things about our system is while we do not always rank at the top around the world in our health care system because a lot of people do not have insurance and all that, if you get to 65 in this country, you in fact do have one of the longest life expectancies in the world because you have very good health care, you have Medicare.

You had a shortcoming. You did not have a prescription drug benefit. You still really do not because it is now a privatized insurance plan. But this did not have to happen. We did not have to take Medicare, one of the great programs this country has ever had, and do what the Republicans did.

I want to outline again, first of all, how they did it. If you do something, if you build a house in a way that is not structurally sound, if you do not use a good quality wood, if you cut corners, you are not going to have a very good house at the end. If you do not have good input into any manufacturing process, you are not going to have a very good manufactured product at the end.

Just again look at how the Republicans did it. They first told the American people and the Congress the bill would cost \$400 billion over 10 years. It turns out there was an actuary at the Center for Medicare and Medicaid Services who said no, it will cost \$534 billion; but he was not allowed to speak

out. He was threatened by Tom Skully, the administrator, and I assume by the President also, who had to know this too, that it really costs \$534 billion.

Mr. Skully has since moved on to work as a lobbyist for the drug and insurance industry, no surprise there, while the President has taken tens of millions of dollars apparently to thank him for the Medicare bill. We will get to that in a moment. But the cost estimates were hidden from the Congress. They simply did not tell us the truth about how much it was going to cost. Then the administrator violated ethics laws by the way they treated that employee and other ways.

Then the way it passed this Congress, we remember that night, the debate started at midnight, the vote started at 3 o'clock in the morning, the roll call was kept open for 3 hours. They literally tried to bribe one Member.

Mr. PALLONE. Madam Speaker, if the gentleman would yield further, if I could interrupt, the one thing I thought was so significant and maybe was not played up enough, there was a majority of the House of Representatives that voted "no" on that bill, 218, a clear majority. There was absolutely no reason to leave that board open, because a majority had voted "no." So they basically spent, as the gentleman said, 2 or 3 hours persuading the people that voted "no" to switch their vote.

Mr. BROWN of Ohio. Madam Speaker, reclaiming my time, "persuading" is a very nice word. They did well beyond persuading. They arm-twisted, they cut deals, they tried to cut deals, they made offers, they tried the carrot, they tried the stick, they tried to bribe a Republican Member from Michigan, who talked about it the next day.

So this whole process, from the conception of the bill written by the drug and insurance industry to the cost estimates hidden and then lied about, the ethics violations, then the middle-of-the-night vote, then the bribing of a Member of Congress, the attempted bribing of a Member of Congress, and then the bill passing in the middle of the night, it is no surprise that this bill led to a product where seniors got a 17.4 percent premium increase. Again, the largest increase in Medicare history.

In the 1990s, in the second half, the premiums stayed almost the same. It was between about \$46 and \$50, within a dollar or two, every year for 4 or 5 years. President Bush came into office. Now it is up to \$78 and some cents. It has gone up double digits more than once, and this time it went up 17 percent. Why? Because of all these things that happened.

This was not an accident that it went up 17.4 percent. It went up that much because they lied about the cost and they covered it up, the President and the administration and the Office of Medicare, CMS. Then they violated election laws. Then they strong-armed Members. Then they tried to bribe somebody. Then the bill contained a

huge payout to the insurance industry, \$290 million every month for 22 months before the bill, the drug benefit, was even into effect in 2006. So the increase to seniors was 17.4 percent.

Of course, the Republicans had to collect their money from the drug and insurance industries for their campaign this year. Republicans may have a good year this year in the election because they have so much money from the drug companies and so much money from the insurance companies. But it is morally reprehensible and outrageous how they did it, and even more outrageous, what ultimately happened to this bill.

Mr. STRICKLAND. Madam Speaker, if the gentleman will yield further, I was just standing here thinking if you are a working person, if you are a senior citizen, if you are a veteran in this country, you had better look out, because this administration is out to get you. They are cutting veterans' health care funding. They certainly are not doing anything for the working people, who are seeing the tax burden of this Nation shifted more and more from the very wealthy on to the backs of the working folks. And then when it comes to the older people in this country, when it comes to our senior citizens, they are really getting the shaft.

The fact is that since George Bush became President, Medicare part B premiums have increased 56 percent. In less than 4 years they have increased 56 percent. But back home in Ohio, in Southeastern Ohio, we have an old saying about the chickens coming home to roost. I think the chickens are coming home to roost for the Republicans, because the senior citizens are starting to understand what is happening to them.

A story in the Columbus Dispatch, September 12, it says: "Medicare expense becoming a big issue in the election fight." If I can just share the opening paragraph, it says: "Medicare has emerged as a volatile issue in this year's elections as Democrats vow to roll back a sharp increase in premiums announced this month."

Those premiums are increasing, as has been said here, 17.4 percent. That means that beginning in January, and that is after the election, but beginning in January a senior citizen will be required to pay for part B, their Medicare part B premium, \$78.20. That amounts to \$938.40 a year.

I repeat to my friend, the gentleman from New Jersey (Mr. PALLONE), the question I asked him a little earlier: If you are a senior citizen and you have health problems that require medication to keep you healthy or to keep you alive, in many cases, and you are on a fixed income, as many of our seniors are, and this President decides to increase your premium 17.4 percent, and your Social Security cost of living increase is less than 3 percent, what can you do? Where can you go to get what you need to buy your medicine, to pay for your food, to heat your home, to pay your rent?

That question is facing hundreds of thousands of American senior citizens tonight, and this President has an obligation to speak to that question, because he is the one who is responsible for putting this additional burden on the backs of our senior citizens.

Mr. PALLONE. Madam Speaker, if the gentleman will yield further, I just want to say two things in response. One is I think we have to keep repeating that this is the policy of the Bush administration and the Republicans in Congress. They have forced this 17.4 percent increase, because of their giving the money back to the insurance companies, the extra money to the HMOs and managed care, and because they are borrowing from the trust fund.

But I want to say I have had a couple of seniors contact me over the last few weeks, because they point out that the costs are even higher. One of the things not mentioned here, and I forgot exactly how much it was, but the Medicare bill actually has an increase in the deductible too. Does it go to \$150 instead of \$100? I do not know exactly the amount.

But this is the first time in the whole history of the part B program that the deductible is going to increase. So if you add that, and, remember, everybody is going to pay that, because when you go on January 1 and buy your first prescription or your first series of prescriptions, instead of \$100, I do not know what it is going up to, it is going up beyond \$100. I do not know if it is \$150 or whatever at some point. So that is going to be an extra amount of money out of pocket.

Then if you look at what the GAO study says today in terms of the money for these HMOs, what they did is they waived the out-of-pocket limits. So in other words, what this GAO study is saying today, it is costing the senior more if they have joined these PPOs, a form of managed care, because they are going to pay more out of pocket. Think about it: premiums going up, deductibles going up, out-of-pocket expenses going up, because they have waived the requirements.

Mr. STRICKLAND. Madam Speaker, if the gentleman will yield further, I think it is appropriate for us to ask how would this country be without Medicare. There are some people in this administration who never believed in Medicare from the beginning. They opposed it from the very beginning. They think it is something like socialized medicine, and they think that the private sector is not being able to get its fair share.

So, quite frankly, what we face with this administration, and I believe with the President, are individuals who simply do not believe in Medicare as such.

Otherwise when they talked about a prescription drug benefit, they simply would have made this benefit a part of traditional Medicare. They would simply have added A, B, C, and part D and said that is the prescription drug benefit to Medicare. We would have had a

modest premium, and it would have been a part of traditional Medicare. But no, no, no, they want to go to the private sector. As a result of going to the private sector, as the gentleman has said, it is costing more, seniors are more limited in their choices, their premiums are going up, their deductibles are going it up, and they will continue to go up.

□ 2200

This year, it is 17.4 percent. Next year, when there is no election facing the administration, if they happen to retain power, it could be 25 percent. No one knows what is going to happen, because this administration, I believe, fundamentally does not believe in traditional Medicare.

So what do you do when you do not believe in a program? Well, you try to change it fundamentally, and that is what they are trying to do. This is the first step in the privatization of Medicare, to relieve the government of this responsibility. And I ask, what would America be like tonight without Medicare? If George Bush and the leadership of this House and the Senate of this country have their way, we may find out what America will be like without Medicare.

Mr. PALLONE. Mr. Speaker, I will just read this one section from this report, and then I will yield back to the gentleman from Ohio (Mr. BROWN). Again, this is the GAO, the Government Accounting Office, nonpartisan; this is not Democrat or Republicans saying this. This is what the report said: "To draw PPOs," which is a form of managed care "into Medicare," the report said, "the Bush administration offered to pay them more, waive stringent standards for the quality of care, and remove limits on the costs that beneficiaries might be required to pay. As a result," the GAO says, "these plans were subject to no statutory or regulatory limits on cost-sharing for beneficiaries."

Quality of care, cost, standards, they do not care. They are just giving money to their friends, the insurance companies.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, the gentleman from New Jersey (Mr. PALLONE) mentioned how premiums are up dramatically, obviously, the 17.4 percent. And before my friends on the other side of the aisle say anything, because I know what they are going to say, because they always say that to this is, well, one of the reasons premiums are up is because they are getting these great new preventive benefits. Well, the fact is preventive benefits cost, and this is all public information, they will add 20 cents to the cost of the premium increase. The premium increase is \$11.40. The increase in better benefits, the preventive benefit is 20 cents, so they are getting almost nothing for the \$11.40.

So we are seeing the premium increase 17.4 percent; we are seeing the deductible increase, as the gentleman

from New Jersey (Mr. PALLONE) says; and once the drug benefit comes into effect, we are seeing accelerated, continuing, quickening, sky-rocketing drug prices.

And the reason for that, again, this stuff does not happen by accident. The reason for that is as a payoff to their drug company contributors, because there is no other explanation that I have heard from anybody, including Republicans privately, is they have a provision in the bill that says that the government may not negotiate the price of drugs on behalf of Medicare beneficiaries with the drug companies.

So in other words, think how easy it would be if the country would simply say, the government would say, we have 41 million Medicare beneficiaries. We are going to use them as one buying pool, one purchasing pool, to bring the cost of drugs down. That is what every other country in the world does. That is why drug prices are one-half, one-third, one-tenth in Germany, Japan, Israel, England, or Canada as they are here, because the government intervenes. It is not price controls; they just simply negotiate the price on behalf of seniors. That is what the Veterans Administration does. They bulk buy. They use the purchasing power of many to get a good price from the drug companies.

For the Republicans to write into this Medicare bill, with all the corrupt and outrageous and morally reprehensible and questionable tactics and ethics violations that went into this bill, for them to write a provision into the bill saying, we cannot negotiate for lower drug prices, that absolutely guarantees the prices will go up. So premiums go up 17 percent this year, maybe, as the gentleman from Ohio (Mr. STRICKLAND) said, another double-digit increase next year, even bigger, without the threat of an election over them, if President Bush wins the election or if Republicans keep control of Congress, premiums go up, deductibles go up, and the cost of prescription drugs keep going way through the roof.

It is by design. It is clearly what they want. They want to privatize Medicare, as the gentleman from Ohio (Mr. STRICKLAND) said; and they move towards a very different system. Back 38 years ago, almost no Republicans supported Medicare, and every time they have had a chance, they have gone after it. They have tried to privatize, take money out of it, tried to underpay providers so that they can rob the system. They have tried to pay off the drug industry and the insurance industry to privatize the system; and now that they control the House, the Senate, and the President, they are able to do all of these things, costing seniors more and seniors getting less; but the drug and insurance companies are doing very well, thank you.

Mr. STRICKLAND. Mr. Speaker, listening to this discussion and listening to the things the gentleman said about this bill and how it came into being, I

would say that for a senior citizen to continue to vote for those in power would be not unlike a chicken voting for Colonel Sanders. Now, we all know down in Kentucky and Ohio and around there that Colonel Sanders sells Kentucky Fried Chicken. It is pretty good stuff. But quite frankly, Colonel Sanders is no friend of the chicken, and I believe that this administration is no friend to America's senior citizens.

When we think about what is being discussed here, it is outrageous. It is absolutely outrageous. What we are talking about is not theoretical. We are talking about real people, older Americans. We are talking about tax dollars that are being given to pharmaceutical companies and insurance companies. We are talking about decisions being made that are almost irrational, if we consider them in a serious manner.

This administration pushed through a law that says, we cannot negotiate discounts. I mean, Sam's Club negotiates discounts. As the gentleman said, the gentleman from Ohio, the Veterans Administration negotiates discounts for pharmaceutical medications. Yet, this President and the leadership in this House said oh, no, no, no. Medicare cannot negotiate discounts for our senior citizens. Why? Because the pharmaceutical companies wanted that provision in the law. It is outrageous.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time just for a moment, in this House, a group of us wanted to try to amend the bill to take that out so that even though we did not like the bill overall, at least we could have brought drug prices down by working for that discount by using the power of 41 million people purchasing, a Medicare purchasing pool. We wanted to offer that amendment, and because of the corrupt way this bill was brought to the House floor, from the cost estimates to the ethics law to the middle-of-the-night vote, to the bribery, attempts of bribery on the House floor, we were not even allowed to offer that amendment so we could debate it; and let my friends on the other side try to defend the drug companies, but they did not want to do that in public. Everything they wanted to do would be in the middle of the night or not have to do it at all, so they did not even allow us to offer that amendment to even discuss it.

Mr. STRICKLAND. So it is fair to say that President Bush believes that America's senior citizens should pay more for their drugs than Canadian senior citizens. He believes that American senior citizens should pay more for their drugs than English senior citizens or German senior citizens or Belgium senior citizens or Swedish or French senior citizens. That is what we have. America's senior citizens are paying more, senior citizens in other countries are paying less; and this President says that is the way it ought to be. He is standing in the way, with

the leadership in this House, of those of us who feel that this is wrong, having the ability to change it.

Mr. BROWN of Ohio. Mr. Speaker, before yielding for a moment to the gentleman from New Jersey (Mr. PALLONE), one drug in particular, a drug cold Tamoxifen, a breast cancer drug, it is a very effective drug to help women combat breast cancer, costs 10 times in the United States what it costs in France. This is a drug that was developed in large part by U.S. taxpayers, and it is made here. Yet the French pay one-tenth as much for Tamoxifen as do Americans; French women do pay one-tenth as much as American women do. Those are not coincidences; they do not happen by accident. They happen because of the corruption and the violation of ethics laws and the bribery and all that Republicans have engaged in on this medicare prescription drug bill.

If you want to teach a class about how government should not run, if you want to teach a class about how government can be rife with corruption, all you have to do is talk about the Medicare bill. If you explain to students or explain to anyone how this Congress, how this Congress passed this Medicare bill, there is no better example in my 30 years in public office, almost 30 years in public office, there is no better example I have ever seen from either party even at its worst, and both parties do things we sometimes should not do, but we have never seen anything close to the corruption that just permeates this Medicare bill, from the beginning of its process to the 17.4 percent increase, and who knows what in the future.

Mr. PALLONE. Mr. Speaker, I just wanted to add a couple of things about price, because I think it was the gentleman from Illinois (Mr. EMANUEL) who said earlier that what this is all about is price and cost and how much people are paying out of pocket. I mean, the reason that my colleague, the gentleman from Ohio (Mr. BROWN), started this Special Order tonight is because of this 17.4 percent premium increase in Medicare part B, but we have already talked about all of the other additional costs.

One of the things that I think has not been highlighted, and I am not talking about with us, but just in general, is that when this so-called prescription drug benefit, and I do not even like to use the term, kicks in in a couple of years, all of the information that Republicans are giving out relative to the cost, none of it is true. They act as if there is going to be a set premium, that there is going to be a set deductible, that there is going to be some list or formula that is going to include drugs, certain drugs. None of these things are true. There is absolutely nothing in the bill that sets the premium. The premium for the drugs could be \$100 a month. Who knows? The deductible, we are thinking because we think of part B that the deductible is

\$100, the deductible could be \$200, \$300. There is absolutely nothing in this bill that dictates in any way what the price is going to be for the premiums, for the deductibles, for anything, or that any particular drugs are going to be included. Everything else is true too.

In the interim, we have these so-called drug cards, right? Now, you and I know the seniors are supposed to go on the Internet and figure out whether or not it is worth it to buy one of these drug cards because you look to see whether or not certain drugs that you might want to take are included on these so-called discount drug cards. But we know that that price can change next week. So they could increase the price, and you might find that you sign up and pay for the drug card and then the cost is two or three times. There is nothing here. The idea of not negotiating the price extends not only to the price of the drugs, but to every aspect of this: premium, deductible, you name it.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, that is why the comment of the gentleman from Ohio (Mr. STRICKLAND) earlier was so important. Without the prospect of an election, if President Bush wins this election, if Republicans win the House, it is Katie, bar the door. Premiums, deductibles, copays, who knows what this is going to look like. More insurance company subsidies, more subsidies for the drug companies, two industries that have done so very, very, very well in this country. The drug industry is the most profitable industry in America for 20 years running, with the lowest tax rate. Insurance companies and HMOs had a 50 percent increase in their profits this year over last year, and that is before they got this, before all of this corruption led to their \$290 million-a-month payout from taxpayers to HMOs.

Mr. Speaker, the gentleman from Ohio (Mr. STRICKLAND) is right. When there is not an election, if President Bush was willing to increase premiums 17.4 percent, a record increase 2 months before an election, granted, he did it on Labor Day weekend when he hoped nobody would notice, but if he is willing to do that 2 months before an election, a very close election, you can wonder what he is going to do when those shackles are off.

Mr. STRICKLAND. Mr. Speaker, we have talked about the problems with this bill. What is the solution?

Well, I think these problems could be solved if the President would pick up the phone and call the gentleman from Illinois (Speaker HASTERT) and say, Speaker HASTERT, I want a bill that allows the importation of cheaper drugs from Canada into this country. And if the President said to the gentleman from Illinois (Speaker HASTERT), Mr. Speaker, I want a bill that allows our government to negotiate cheaper prices for our senior citizens with the pharmaceutical industry, the President could do that, and I believe the Speaker would accommodate him. A bill



could be brought to this floor; and with the President's support, it would pass overwhelmingly.

So what is the problem? The problem is the President is on the wrong side of these two issues. He is on the wrong side of other issues as well regarding this bill, but especially on the issue of importing cheaper drugs from Canada, something that most Americans want. Americans cannot understand, they just simply cannot understand why a drug can be sold in Canada at a profit, at a profit. The drug companies are not losing money when they sell these drugs in Canada. So the American people ask, how can a drug company sell a drug in Canada and make a profit and then sell that same drug in this country for two or three or four times as much as they are charging in Canada? What is right about that, when we have older people on fixed incomes who are desperate?

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I do not know if the President, as he is out and about the country campaigning, encounters the same kind of people that I do, but every time I go back to my southeastern and southern Ohio district, I encounter older people who are desperate. They simply do not know how they are going to make it.

It would be so simple. We could accomplish this in a few hours' time if the President would simply take the leadership and do it, but thus far, he is leading in the opposite direction. I think the American people need to know that, that if they are concerned about high drug costs and they are concerned about Canada and France and all these other countries getting the drugs more cheaply, they need to know that the President is one of the reasons for that, because he refuses to speak up and speak out and to provide the leadership.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend, the gentleman from Ohio (Mr. STRICKLAND) and the gentleman from New Jersey (Mr. PALLONE) for joining me and the gentleman from Illinois (Mr. EMANUEL) earlier tonight.

Again, as the gentleman from Ohio (Mr. STRICKLAND) pointed out, we know what has not worked. We know this bill has been an absolute payoff to the drug and insurance industries. We know how this bill became law. We also know what we could do to fix it, and we would offer again tonight, because we should not come down to the floor and only criticize, we really should offer constructive solutions.

The gentleman from Ohio (Mr. STRICKLAND) is exactly right. We should have reimportation. We should run the Medicare prescription drug bill through traditional Medicare, not farm it out to insurance companies, and then have to subsidize those insurance companies to "incentivize" them to offer the prescription drug benefit.

With reimportation, we also ought to be able to use the buying power of the Federal Government on behalf of 41

million Medicare beneficiaries to get the price down so that people could simply open up their purse or their billfold and pull out their Medicare card and go to the local drug mart in Elyria, Ohio and get a price that is 50 or 60 or 70 percent less than we have today.

We can do this if we have the political will. We could do this if the Republican leadership and the President would wean themselves off of drug company and insurance company contributions. That is what we need to continue to push in our country so that seniors are finally treated equitably by their Federal Government.

I thank my friends from New Jersey and Ohio.

#### 9/11 COMMISSION RECOMMENDATIONS

The SPEAKER pro tempore (Mrs. MILLER of Michigan). Under the Speaker's announced policy of January 7, 2003, the gentleman from Indiana (Mr. SOUDER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SOUDER. Madam Speaker, tomorrow starts an historic process as we move through the 9/11 Commission recommendations and other actions by this Congress in committee to try to address many of the terrorist concerns and how we are going to handle those terrorist concerns with new legislation.

We have already taken many actions in this Congress, we have already taken many actions in the executive branch, but tomorrow we start a committee process where we are going to implement many other historic pieces of legislation.

Madam Speaker, I would now yield to my colleague the gentleman from Illinois (Mr. SHIMKUS) who is going to address a number of the aspects that we will be starting in our deliberations this week.

Mr. SHIMKUS. Madam Speaker, I would like to thank my colleague for yielding to me.

I am going to focus on two issues dealing with the telecommunications arena, and these are very, very important, as we have found since September 11, especially in the arena of communicating between all the different levels of the first responders. This is something the Committee on Energy and Commerce has been focused on for the last few years, especially, as I said, since the terrorist attacks.

We have begun debating legislation that will implement many of the recommendations from the 9/11 Commission report. A number of these recommendations focus on public safety communications. The 9/11 Commission noted in its report that the inability of first responders to talk to each other at the World Trade Center, at the attack on the Pentagon, and at the crash site in Pennsylvania were a critical element in impeding rescue work.

A recent report by the GAO said that the Federal Government still does not

know how extensive the lack of effective emergency communication is, mostly because there is no comprehensive policy within the Federal Government that addresses spectrum assignments and plans for interoperable communications technology for public safety.

Homeland Security Secretary Tom Ridge just announced that his department was establishing an office to set national standards for emergency communications so first responders can talk to each other. This office will receive the wide range of public safety interoperability programs and efforts currently spread across Homeland Security. These programs address critical interoperability issues relating to public safety and emergency response, including communications, equipment, training and other areas as needs are identified.

The term "interoperable communications" means the ability of emergency response providers and the relevant Federal, State and local government agencies to communicate with each other. Oftentimes, this is a very difficult task. More and more often, when a public safety officer responds to a call, he or she will arrive at the call site and find out their radio does not work because a private wireless carrier operating in the same spectrum band has a tower close to the call site. The interference is generally a result of the carrier's signal either overpowering or mutating public safety's signal.

The 9/11 report recommends that Congress expedite the increased assignment of radio spectrum for public safety purposes. I believe, as do other Members, that full public safety communications interoperability within the decade should be a national goal. H.R. 10 requires the Secretary of Homeland Security, working with the Secretary of Commerce and the Chairman of the FCC, to establish a program to enhance public safety interoperable communications at all levels of government and to establish a comprehensive national approach to achieve public safety interoperable communications.

There are some 60,000 first responder organizations in the United States, and each one purchases its own equipment. These organizations control more than 40,000 spectrum licenses. Neighboring communities that need to communicate in an emergency often start out with vastly different communication systems and different capacities to fund new equipment, but this is a difficult problem to correct. Many localities are not willing to give up their system so they can have the same one as a neighboring community. They feel the systems they have work best for them in an emergency and feel the cost of switching to a new system is too high. Some first responders worry that a fully integrated system could compromise command-and-control in an emergency by fostering a confusing set of instructions.