

it when it is a microcosm, but they can't understand it when it is 300 million people in a macrocosm. It is the same principle that applies, Mr. Speaker. But that is a fatal flaw of this approach of a closed process rather than an open process. That is what happens, Mr. Speaker, when we don't allow for amendments. And then things start to smell fishy.

What was the reason?

I would be happy to yield to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. I thank the gentleman for yielding. I just wanted to point out, and I am sure the gentleman would agree with me, that there are things in this so-called CR that we approve of. As I look through the list, and of course, I have got a lot more looking to do, but as I see things like an increase in Pell Grants to \$260 up to \$4310, I think that is good. And additional funding for the Head Start program. And I could go on and on and on. There are a number of things here that I see that I could vote in favor of, but there are a number that I would be opposed to.

And just as the gentleman points out, especially for the new Members on both sides of the aisle to not have an opportunity to go through regular order and a committee markup process, go to the Rules Committee with their amendments, I am talking now about majority Member amendments, things that they have heard about, as you pointed out, Mr. KING, from their constituents, as they campaigned for the very first time for Congress and the excitement of that, and you pointed that out as well. It is just sad. It really is sad. And if it wasn't so sad, it would be almost laughable.

So I just want to say that, again, it is not that, as I register tomorrow my vote against this, it is unfortunate because there are some things in here that I would be in favor of. But I am going to be voting against the usurp of power and putting the process under the jackboot of the new majority.

Mr. KING of Iowa. I thank the gentleman from Georgia (Mr. GINGREY). And I will say that my sympathy and heart goes out to especially freshmen Members of Congress when they go back home to their town hall meetings, and I would just ask you, out there, and Mr. Speaker, I convey that message to the people in America, that when these freshman especially show up for their first town hall meeting, I would say to the citizens, stand up and ask them, what has been your input? What has been your impact? How have you kept your promise so far? What do you think of the process? What has been your involvement? Have you produced any amendments? Have you done anything to impact this process whatsoever? And their answer is going to be "no." You need to challenge them, Mr. Speaker, to come back here and open up this process.

□ 1845

HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Mr. Speaker, I am here tonight to talk about the President's health plan that he discussed or brought forth in the State of the Union address last week, but I couldn't help after listening to some of my colleagues on the other side of the aisle talk about the continuing resolution that is going to come to the floor tomorrow to just spend one minute before I get into my health care Special Order just mentioning why I think what they said is so wrong.

I of course have been in Congress for a number of years now, and last year which was the last Republican majority Congress that we have had, I guess, or that we are going to have, the Republican leadership passed a budget that was so unrealistic that they were unable to complete work on nine of the 11 annual appropriation bills. So I think everyone needs to understand, Mr. Speaker, that whatever the Democrats do tomorrow is simply cleaning up the mess that the Republican leadership left us. They didn't do their job; they didn't do their work.

Most people would say that the main purpose of the Congress is to pass a budget and pass the appropriations bills so that the government can continue to operate, and they simply did not do that. They left here in December with only two of the 11 appropriations bills. Those dealing with defense and the military were passed. The other nine were just left, and they passed their own CR, or continuing resolution, to take us through I guess February 15, and basically said, okay, we are getting out of town and we leave this mess to the Democrats. So back in December, Senator BYRD and Congressman OBEY announced a plan to wrap up the bills in a joint funding resolution, and that CR is coming to the floor tomorrow.

But I will stress, and I don't know how many times I can keep saying the same thing: there are no earmarks in that continuing resolution. None whatsoever. In fact, there is even language in the continuing resolution, and I will reference in title I, section 12 that says: "Any language specifying an earmark in the committee report or statement of managers accompanying the appropriations act for this fiscal year or for the last fiscal year shall have no legal effect with respect to funds appropriated by this division."

So essentially what that says is: we are not allowing any earmarks. But even if one of the bills in the committee report or in the statement of managers, which are not binding under the law, even if one of those suggests an earmark, that the Federal agency responsible for administering that pro-

gram has no obligation under the law to implement it.

I don't know how more emphatic we could be in saying no earmarks, no suggestions of earmarks. Don't pay any attention to anybody who tries to suggest an earmark. That is essentially what this language says.

So this whole effort to say that somehow there are earmarks in this is just fabrication. And beyond that, the fact of the matter is that we have no choice but to adopt this continuing resolution because they left us this mess and we have to move on to the next budget year. So I just wanted to point that out, and then I would like to move on to the real issue that I came here tonight to discuss, which is the President's health insurance proposal.

I was glad to see that in his State of the Union address that the President prioritized health care, and he said that he wanted to solve the problems of the current system both in dealing with the large number of uninsured and also with the fact that costs, the costs of the health care system continue to rise. So I will give him credit for prioritizing this issue, because he has not done so in the past.

But I have to be critical and say for the last 6 years President Bush and the Republican Congresses have ignored our Nation's health care problems. Because of that neglect, we have seen health care premiums skyrocket over the last 6 years since he has been President and the number of uninsured increase after we witnessed reductions in the number of uninsured in the late 1990s. When President Clinton was in office in the last couple years of his Presidency, for the first time in a generation the number of uninsured actually went down because of his policies. But ever since President Bush took office, the number of uninsured has gone up. And I just want to give some statistics on the President's record.

Here is the information on the uninsured: when he took office in 2001, there were 41.2 million Americans who were uninsured. Five years later, in 2006, the number had grown to 47 million. That is an increase, Mr. Speaker, of 1 million Americans every year on the President's watch. That is the first and I think most significant statistic.

And then the next poster I wanted to show has a map of the United States. And I think a lot of times when you give numbers, people don't necessarily respond to them or they just sound like a lot of bureaucracy. But forgetting the numbers for the moment, what this map shows is that the number of uninsured now exceeds the cumulative population of 24 States and the District of Columbia that we have outlined in the shade of red or orange here. So that is a lot of uninsured. That is the number of people that live in those 24 States and in the District of Columbia that are now uninsured.

And then the third thing is in terms of the premiums, because again the

President has said that he wants to address not only the problem of the uninsured but also the problem of costs for health care. So if you look at this chart, you can see that workers are now paying an average of 1,094 more in annual health care premiums for their families than they did in 2000.

So that is essentially what has happened while the President was in office. And this is based on information from the National Coalition of Health Care: workers are now paying on the average \$1,094 more in annual health premiums for their families than they did in 2000.

Now, again, I appreciate the fact that President Bush highlighted this issue and suggested it needs to be prioritized, and hopefully his statement during the State of the Union address would suggest that he wants to work with the Democratic Congress to try to address these two problems, but his proposals have essentially been a nonstarter because they don't address the actual problems that he is seeking to highlight.

Essentially what he has done, and this is the one thing that I think is the most incredulous, is he is talking about a tax increase, and many of you know that President Bush repeatedly said he would never support a tax increase. It has been sort of the hallmark of his 6 or 7 years in office now, that he didn't want tax increases. But he actually said that he would effectuate a tax increase on a lot of people through his health insurance plan, because what he does is basically take those people who have a very good comprehensive policy, what you might call a Cadillac or a gold-plated insurance policy, well, they are going to be taxed. And the way that he is going to pay for the program is essentially to say, I will tax the people who have very good insurance coverage in order to give a break, a tax break, if you will, to those people who don't, and I'll encourage people to go into the individual market because we will give them the tax break paid for by a tax increase for the first time on people that have a very good policy. Now, I know it gets a little complicated there, but I think it is very important for everyone to understand that he is actually proposing a tax increase on those people that have very good insurance coverage right now.

Now, I could talk for a lot longer on this, but I see that I have been joined by some of my colleagues. So rather just talking myself for the next 5 or 10 minutes, I would like to hear from some of them. I will start by yielding to the gentleman from Pennsylvania.

If I could just mention that both of my colleagues that are here tonight, one from Pennsylvania, one from Tennessee are new Members, and I particularly appreciate your coming down to discuss this.

The gentleman from Pennsylvania.

Mr. ALTMIRE. I thank the gentleman, and I would address the Chair. We have a situation in this country as was just outlined where we have 47 mil-

lion Americans with no health insurance at all. We have tens of millions more that live in fear of losing their coverage. Employers often are unable to offer insurance to their employees. This is an epidemic in this country, and I heard about it back in the district this past weekend, I hear about it everywhere I go, because health insurance is an issue that affects everybody. It doesn't matter if you are rich or poor, live in an urban setting, rural area. No matter where you are from, health care affects you directly. And, unfortunately, for the past 6 years this issue has been ignored. And truth be told, it has been ignored for longer than that. And we need to look at this issue because this is affecting our economy.

At General Motors, \$1,500 of the price of producing a car is because of their health benefits. We can't compete with the rest of the world when other countries have health insurance provided. So we are starting \$1,500 in the hole.

So I do commend President Bush for including health care as one of his top priorities in the State of the Union address. It is something that is long overdue, and I am happy that he has finally decided to look seriously at this issue. Unfortunately, the plan that he has proposed is not going to be more than a drop in the bucket to solving that problem.

We have a President who has now proposed a solution based on changes in the Tax Code to solve a problem that I have outlined. We spend \$2 trillion a year as a Nation on health care, so he has recommended that he in some cases actually raise the costs to people's out-of-pocket expenses by taxing health care benefits for people. And I want to tell you something, if you don't have enough money to buy health insurance right now, you are one of the 58 million families that don't have any taxable income now because you are not making enough money to pay taxes, a tax deduction is not going to help you afford health insurance. And under the President's most optimistic estimations, his plan only offers health insurance to 3 million of the 47 million Americans that currently lack health insurance. So there may be a role for a Tax Code solution to the health crisis that we are facing in this country, but it is a very small part of what is happening.

I am glad that the doctor from Wisconsin has joined us, and I am sure he will have a lot to say.

Mr. PALLONE. If I could just ask the gentleman to yield back. I just want to give an example of exactly what you were talking about.

Under the President's tax plan, a low-income person who was previously uninsured would receive about a \$1,200 tax break. That is assuming that they are paying taxes. At a time when the average cost of coverage for a family is around \$11,000 a year, a \$1,200 tax break is not going to be enough to get that person insured. In contrast, the higher-

income person who was previously uninsured would receive nearly \$6,000. So the problem is, the person who is more likely to benefit from this is the higher-income person who doesn't have a very good plan. If their plan is good, then they are even going to get taxed on it.

So your point I think is very well taken, how is that little bit of a tax break going to get that person to be able to go out into the individual market and buy a health insurance policy? It is simply not the case.

I yield back to you.

Mr. ALTMIRE. I thank the gentleman. And what this does is provide an incentive for younger and healthier workers to purchase insurance outside of the employer's plan because those benefits will be taxed, leaving only the older and sicker workers in the employer's risk pool, which is going to raise costs not only for us as individuals but for employers. And that is the last thing we need to be doing. That is going in exactly the wrong direction, because ultimately the employer's insurance is going to become unaffordable as it is left with nothing but sicker people in the risk pool.

And we need a more efficient system where we encourage people who are younger and healthier to participate in the same risk pools as everybody else, because right now if you are a small employer especially and one of your employees get sick, you get a phone call from the insurance company that says, You have two choices: we are either going to quadruple your premiums, or we are going to drop you entirely. And this plan that the President has proposed exacerbates that problem. It makes it worse, because now your benefits are taxed on top of having your premiums quadrupled.

Mr. PALLONE. I would just ask the gentleman, my question, isn't it also possible under the scenario you laid out that under the President's plan that the employer has an incentive to essentially drop insurance coverage all together and say, Okay, well, now that you have this tax deduction, why don't you just go out and buy insurance on your own. And doesn't even offer the health insurance anymore. It actually could even make the situation worse in terms of the uninsured, because he says, Okay, you go out now and buy the insurance on your own.

Mr. ALTMIRE. And it is going to flood the insurance market with people who can't afford health insurance because of health problems.

□ 1900

Now if you are young and healthy and wealthy, that is a great plan. That sounds fine. Go out in the insurance market and buy a high-deductible, catastrophic plan, and you will be fine.

But for most American families in this country, we are going to see our insurance costs increase. Even if we are not participating in any of the new plans and nothing changes for us, our

costs are going to go up because folks who are younger and healthy are now outside the system, and we are in the same insurance pool with everybody else.

Mr. PALLONE. The other thing that bothers me is that a lot of people will either individually negotiate with their employer, or if they are part of a union, negotiate through their union, a better health package, and call it a Cadillac or gold-plated package. They trade that for not having a salary increase or some other benefit because they want that health care benefit for themselves or their family.

So why should they be penalized by having to pay an extra tax because they have made that decision? These are the kinds of life decisions that people make depending on their circumstances.

I yield to the gentleman from Tennessee.

Mr. COHEN. I had the distinct honor of presiding during the last 2½ hours, and I heard some verbiage that was thrown out to the freshmen about how we were not having participation in this process. And the gentleman who asked that question said nobody had answered his response. There is a rule that the Speaker cannot respond, and as a freshman it was difficult, but I restrained myself and now have an opportunity to respond.

The freshmen are happy with the procedures that are going on, and the processes, and are glad to be part of this Democratic majority.

We are funding more money in the budget for Pell Grants, which is an issue that I have great concern with. I know that Mr. ALTMIRE also does, and so does Dr. KAGEN. And we are also funding money for the COPS program and for Head Start. There are wonderful things for veterans and health care in the budget. The freshmen had input and feel comfortable with it.

I am afraid that a false impression was given to the people of America during the last hour.

Mr. PALLONE. If I may interrupt, this continuing resolution is essentially continuing the same level of funding; and yet it is making these advances, including a number in the health care area. Veterans' health care goes up, as does funding for the National Institutes of Health and funding for Ryan White and community health centers.

There is a lot of additional money to address the health care crisis in the country that we are focusing on tonight.

Mr. COHEN. If I may ask, you were here in the previous Congress. Didn't the Republican-controlled Congress have a chance to pass that budget and have all the input that they wanted, and they failed to do it? Why is the continuing resolution here?

Mr. PALLONE. Because they were the do-nothing Congress, essentially. That was their hallmark.

Today is January 30. We have met the majority of the business days this

month. We have been in session. We passed bills during the 100 hours that affect so many things: negotiated prices for prescription drugs, cutting the interest rate for student loans in half, and the list goes on.

They met once in the previous session in January. The way the process works, and I know you are familiar with it, is that your appropriations bills are supposed to be passed in both the House and Senate by, say, June or July at the latest, and then you have conferences. And before October 1, which is the beginning of the fiscal year, you come back with the conference reports in September and you pass them before October 1, which is the end of the fiscal year.

They did none of that. They only passed those bills and sent them to the President in two cases: defense and military construction bills, both defense-oriented. Everything else was neglected. I don't believe the Senate passed a single bill. In the House we passed some, didn't pass others.

And when they had the lame duck session after the election, they simply went out of business. They passed a CR which just continues current levels of funding until February 15 and said, Okay, you guys won the election, you deal with it.

Normally, in January, we start the next fiscal year, having hearings and putting together the budget, and the President delivers it by the end of the month or the beginning of February. If we didn't pass the continuing resolution to get this year done quickly in the fashion we are going to tomorrow, or in the next couple of days or weeks, we would be having to deal with last year's budget left to us by them, this mess, and we wouldn't even have time to move on to the next fiscal year.

They just left this mess. The amazing thing is it has no earmarks, which is a reform, and yet they keep talking about it as if it does.

Mr. COHEN. The gentleman from Iowa talked about a cowgirl museum in Iowa. Is that in this budget?

Mr. PALLONE. I don't know the specifics in terms of each line item. It is a 400-page bill. But I would point out, we have that language in the bill that I read before that specifically says that any suggestion that there be an earmark, even if it is just in a committee report or even suggested by the managers, should be simply ignored by the agencies that are involved.

Imagine that, as Democrats in the majority, we are telling the agencies that are controlled by the Republican President, pay no attention to any suggestion of an earmark, do what you think is best. What can be more bipartisan than that? And yet they are saying it is filled with all of these earmarks.

Mr. COHEN. The gentleman started with some story about Greece. I thought about it and I thought about the Trojan horse and this health care plan. The State of the Union address

mentioned health care, but when you get into it, it is really a tax increase, as Representative ALTMIRE mentioned. And it is going to affect charity hospitals, and that is the bottom line, the safety net, and it is probably going to destroy those hospitals. Is this plan not a Trojan horse?

Mr. PALLONE. I am glad you mentioned that. I think that is a very important point.

The President is very much aware of the fact that many States, and there are getting to be more and more—in my State in April there is going to be a proposal to have universal coverage in New Jersey. Many States are trying to cover everyone and get rid of all of the uninsured.

What the President said in the State of the Union address was, we will take money from disproportionate-share hospitals, and these are hospitals that are getting Federal dollars because they have a high number of charity care cases, people who have no insurance; he is saying we will cut back and we will give that to States, to the governors, so they can help deal with the problem of the uninsured.

Well, in many States, including my own, that will only aggravate the problem. They are getting that money to cover people who have no insurance. So it is like, what is the expression, robbing Peter to pay Paul. That is essentially what it is. We will take the money that is now being used to cover people, and we will cut that and give it back to you so you can cover them. It makes no sense.

Mr. COHEN. I appreciate the opportunity to speak.

We have one of our experts here, a physician and highly respected Member from Wisconsin, Representative KAGEN, and I would just say that I have learned from a lot of the briefings that the freshmen have had that the disparity of wealth in this country is the greatest it has been since the 1920s, and that is because of a lot of the actions of the previous Congress and this administration. And now they are going to make the disparity in health as great as the disparity in wealth, and we have already seen what they did with stealth.

So, Jesse Jackson, we are here.

Mr. PALLONE. I appreciate the gentleman's comments. Now that Dr. KAGEN has been mentioned, I will yield to you.

I want to say one thing, and that is, many times in the Energy and Commerce Committee the Republican side of the aisle would point out how they had a number of doctors and would suggest that they had a sort of exclusivity to their knowledge of medical and health care issues because they had these doctors. I am glad to see that there were doctors on the Republican side, but I am also glad to see we are getting more doctors on the Democratic side.

I yield to the gentleman from Wisconsin.

Mr. KAGEN. Thank you very much. I appreciate the opportunity to be here with you this evening.

Everyone in this room, everyone in this country has a health care story to tell. But if you want to talk first about the President's proposal, I think it falls not in terms of a Trojan horse, but a smoke screen, much like the Social Security crisis was a smoke screen to distract people from what was really going on.

I have a chart here that demonstrates that the number of uninsured Americans exceeds the cumulative population of 24 States in our country. Really what we are talking about is the uninsured and even those that have insurance coverage, just having insurance coverage doesn't guarantee that you are going to get coverage. After all, in my medical practice every day, when I would write a prescription, maybe one chance in two, one chance in three, it wasn't covered, it wasn't on the plan, or in Medicare part D on the 44 different lists we had in Wisconsin.

I would start off on a positive note and say that the President should be commended for raising this important crisis. It is, in my view, the most important crisis facing our economy. The impossible costs of health care are holding back employment. Employers are unable to employ new employees because of the high cost of insuring them.

In my hometown of Appleton, a new teacher this year will be paid \$30,000, but his or her insurance coverage will be \$12,000 to \$13,000, in another neighboring city, \$17,000. For anyone earning less than \$48,000, the cost of health insurance coverage is simply out of reach.

Medically speaking, I would say thank you to the President, but your idea is DOA, dead on arrival. It simply won't work, and it will not solve the crisis we are all facing.

He had some other interesting and positive ideas. The idea of the health savings account, I think it is a great idea that people are saving money, but no matter how much money you are saving, it doesn't affect the cost of health insurance, it doesn't affect the cost of your physician's charges, the hospital expenses, or the prescription drugs that many people need.

Everyone has a health care story to tell, and it is for those people and everyone in the country that this 110th Congress must address this crisis.

Now let me ask all of you, Mr. ALTMIRE, don't you want to know the price of a pill before you swallow it?

Mr. ALTMIRE. Absolutely.

Mr. KAGEN. If you are buying a car or truck or new suit, don't you ask the price? And when you ask the price, you find out the price.

I challenge all of us in this room tonight and everyone listening at home, call up your local hospital and ask: Excuse me, what does it cost for a mammogram, and 99.9 percent of the time you are going to get this answer: "Well, what insurance do you have?"

I think we need to have transparency, and this is one of the ideas that President Bush is in favor of, and I am sure our Republican colleagues would be as well.

I believe we need to openly disclose all prices in health care. I believe every citizen should get the same discount. I don't believe in discrimination.

Today, on average, if you are covered by Medicare part D, if you go to the pharmacy and you are in line behind somebody from the VA, you are going to pay 46 percent more for that prescription, the identical prescription being sold to a veteran patient, and yet you are paying more. I feel that is a form of discrimination.

So if we have an open and transparent marketplace where everyone gets the same discount, where prices are openly disclosed, we form one nation again, not State by State solutions which are very difficult and challenging and unique to the region.

I believe if you are a citizen, you should be in the risk pool across the country. Everyone has a health care story tonight, and what they need to understand is that the Democrats are really listening.

This health care crisis is something that I see and feel every day as a physician. It is something all of us in Congress hear about here in Washington and when we are back home listening to our constituents. I think we need to spread the word that this Congress, the 110th Congress, and especially if I can say the word, our freshmen class, will address this issue and take it on straight away.

Mr. PALLONE. The President talks about health care costs, but in my opinion the biggest thing that could be done or one of the major accomplishments would be if he would simply go along with what we passed in the first 100 hours, which is negotiated prices for prescription drugs. Imagine the amount of money we could save with that.

It passed the House and it is over in the Senate, but he has said he is opposed to it. I am hoping that we can pass something in the Senate and we can get something to his desk that he will sign.

It is sort of hypocrisy on the one hand to talk about increasing costs, and this would be one of the easiest ways to save money, and we did it as Democrats, with all the new Members' help in the first 100 hours, and I hope that he would reconsider his opposition to it.

□ 1915

Mr. KAGEN. You are quite right, and I would look at it and phrase it a little bit differently.

I believe our President must be kind to seniors and kind to all Americans, and he would be kind in signing the opportunity to negotiate for a lower price for medications. I believe it is discriminatory, as I said.

I look at the world and say, okay, what I am about to do, is it kind or un-

kind. I think it would be terribly unkind to all senior citizens, to anyone certainly in AARP, if President Bush were to veto that bill.

Mr. PALLONE. Mr. Speaker, I see we have also been joined by another new Member, the gentlewoman from Florida (Ms. CASTOR), and I would yield to her at this time.

Ms. CASTOR. Mr. Speaker, I thank my colleague, the distinguished gentleman from New Jersey, who has been a leader in this Congress on health care, and, yes, you are joined by a number of new Members tonight that were elected because of our desire to work on health care solutions for the American people.

So like my colleague from Wisconsin and my colleague from Pennsylvania, I also listened intently last week to what President Bush had to say on health care, and, unfortunately, I did not hear anything that will help one person go to the doctor's office and get health care. Instead, what he said is, you go to your accountant's office, not your doctor's office. You go to your accountant's office and you get a tax deduction and you work that out on your tax forms.

Well, that does not make sense for the vast majority of people, especially in the Tampa Bay area, 20 percent without health insurance today, having to go to the emergency room for their primary care, rather than going to a doctor's office for their primary care.

He says take a tax deduction. The problem is that so many people are just getting by. They are right there at the poverty level. That is \$9,000 for an individual, about \$20,000 for a family of four. Imagine trying to live off \$20,000 for a family of four. They do not pay taxes. They do not pay income taxes. They pay sales tax, but that tax deduction that President Bush wants you to get to get your health care is not going to do anything for those hardworking families.

The second part of his plan is equally troubling because he wants to sock it to the hospitals in this country that are providing charity care. In Tampa, Tampa General Hospital provides millions of dollars in charity care, and they are able through Federal law to send up some money, match it and bring home some dollars, especially in Hillsboro County, a county of about 1.3 million people. We have an award-winning health care program where the citizens of the county and a lot of our tourists pay a sales tax, and we devote that to a system of clinics throughout our community. We also send up that money to the Federal Government, and they say you are doing such a good job on the local level, taking care of your citizens in a network of clinics and not in the ER, that we will give you further incentives through "disproportionate share money" they call it.

What the President would do is take those incentives away from local governments like mine, like in Hillsboro County, this network of doctors and

hospitals that we have built up, and say, you know what we are going to do with that stream of money, we are going to probably turn it over to the HMOs and privatize the system.

This, I think, is another attempt by the Bush administration to embark on a privatization scheme which sounds awfully similar to what he proposed for Social Security.

My locals, my hospitals, doctors and, most importantly, the hardworking families in my district are not going to be well-served by the President's health care proposals. What do you think this will do to hospitals in your area?

Mr. PALLONE. I yield to either one of you. I see the gentleman from Wisconsin has something to say.

Mr. KAGEN. I have a lot to say about this subject, a lot of feelings. I would say it this way:

Medicare part D has already been privatized because no longer is the benefit money going to go to a constituent, to a Medicare enrollee. It goes to the insurance company. In fact, all of us taxpayers paid money to private insurance companies for the marketing of this most fiscally irresponsible program ever to be rolled out by the Federal Government to help them to be successful to privatize the Medicare patients.

Ms. CASTOR. You are right. Add the Medicare part D privatization, all of those moneys going to HMO profits and pharmaceutical companies' profits, to Social Security privatization attempted by the Bush administration, why are hospitals' charity care next? Why the foundation of the last resort for so many families? Why do they want to take away resources from the hardworking doctors and our charity hospitals?

Mr. PALLONE. I would just say, you know, a lot of people will say, well, why would the President want to do this? Why does he privatize? Why does he give money to the HMOs? What is the reason? Because you would like to think he would make the right decisions and do the right things.

There are two things I have to point out: one is that he is often driven by ideology, and I think it is a mistake. You have to be practical. You have to look at what actually works and not just look and say, well, government is not good and privatizing is better. Sometimes government is better. Sometimes privatizing is better. But just do not be stuck in this ideology that it is always better to privatize.

The other thing, unfortunately, is the special interests. I mean, the bottom line is that the drug companies traditionally gave a lot of money to the Republican candidates and his own campaign, and the same with the HMOs. The HMOs were always the darling of the Republicans and the President, and they contributed a lot to their campaigns. So there is a special interest reason here, as well as an ideological reason unfortunately.

I yield to the gentleman.

Mr. KAGEN. I want to make it perfectly clear to everyone in this room and beyond that we Democrats are very much in favor of profits. We believe in capitalism, and the problem that your hospitals have in Florida or Pennsylvania or New Jersey or Wisconsin, the problem we have in large part is this thing called "cost shifting." The cost of providing a service to a Medicare enrollee does not cover the overhead, does not cover the operating expense to provide that service. So someone has to make up that difference. It takes so much money to run a business, to run a hospital or a clinic or a drug company, but we want people to be profitable. So we are not against profits, but we are against the idea of privatization of what is an essential service, one of the greatest social programs ever rolled out by this Nation being Medicare.

Now, I would be the first to admit that Medicare is a mess. I do not know of any doctor or administrator that really understands all the 44,000 pages of the rules, but it does not mean that it cannot be fixed. It does not mean that we cannot take a positive attitude toward it and address it and fix it.

Now, I am also a small businessman. I want everyone in this room and beyond to understand, the Democrats are pro-small business. Every small business in this country is facing a crisis because they cannot afford their health insurance premiums. Whether you are a farmer, a photographer or an employer of 50 or fewer people, health care is out of reach. The cost is out of reach, and this Congress needs to step up, not with the President's idea of tax benefits, but we should take part of the good from his policy and bring it to the floor with a new idea.

Mr. PALLONE. I want to yield to the gentleman from Pennsylvania, but I would say if you were going to use the tax policy or the tax system as a way of addressing this in some meaningful way, it would be a lot more meaningful to a low-income person if it was a refundable tax credit than as a tax deduction, simply because they really cannot take advantage of the tax deduction.

At some point, I think we should also talk in the next 20 minutes or so about some of the alternatives that we would like to see instead of the President's plan, but I did not give the gentleman from Pennsylvania an opportunity. So I go back to him at this point.

Mr. ALTMIRE. Mr. Speaker, I thank the gentleman. I did want to talk about some of the out-of-pocket costs that individuals and families are going to be facing with this plan.

I did want to say how happy I am to see the gentlewoman from Florida, a very distinguished graduate from the Florida State University School of Law, here to join us tonight. I was excited to hear your remarks as well.

Something that has not been talked about but I want Members to think

about this when they go home and talk to especially their seniors, but also folks who maybe are just starting in the workforce and have years, maybe decades left ahead of them to pay into the Social Security system and look forward to their Social Security benefits, I want those Members to talk to their constituents about the fact that this plan, as proposed by the President, does the tax deduction up to \$15,000 of taxable income.

So what that does, as we have talked about it, is it taxes your health care benefits above that level, but more importantly, from the perspective of Social Security, it reduces your income subject to the calculation of Social Security year after year after year, compounding itself, and that is going to reduce the Social Security benefits, your monthly check, for millions of Americans. That is something that is not even being discussed in this debate.

We all know the out-of-pocket costs on our health care, and I am going to talk about that in a moment, but I want folks who have years ahead of them to pay into the Social Security system to think what that would do to have \$15,000 removed from your calculatable income for the purposes of determining your Social Security benefits. That is a direct hit on working-class Americans.

I also want folks to think about the fact that that \$15,000 is going to be subject to a cost-of-living-type adjustment, inflation adjustment each year, but the cost of health care rises often three and four times greater annually than the cost of living in this country. So if you are a younger worker paying into this system year after year, you are going to lose money year after year after year in inflation-adjusted dollars because it is adjusted on the \$15,000 based on the cost of living, not the actual cost of increases in the health care. That is a real hit to working Americans and working families in this country.

Lastly, I spoke earlier about the fact that this provides an incentive to younger and healthier workers to opt-out of this system and maybe opt for catastrophic, high-deductible plans, hoping that they will not get sick. What young families do not realize, the exact people that I am talking about is often in almost every case, maternity care is not covered under those types of plans. So for those Members who want to go back and talk to some of their young families in their district, I would ask them to consider how expensive that would be if they had to pay out of pocket for the costs of their maternity care.

I know Dr. KAGEN could certainly comment on what those costs would be. We are talking about a real hit to working-class Americans. This does not benefit the majority of Americans, and, in fact, this makes the cost of health care more unaffordable for individuals. It raises costs on small businesses, employers, and it especially

hurts the self-employed because it removes the current deduction on health care for our self-employed.

So, again, the President has moved us in exactly the wrong direction that we need to be going.

Mr. PALLONE. I appreciate your comments because I think it is very important and I know it is a little detailed, but the fact of the matter is these points need to be made.

I just wanted to lead us, if I could, we have about 15, 20 minutes left, maybe not quite 20, into what we would do as an alternative. As I said, if you wanted to use tax policy as a way of trying to address the problems here, and I am not saying that that is the most effective way to do it, but if you did, certainly a refundable tax credit would be more useful to that lower-income person than this deduction that may not even be able to take advantage of.

But I just wanted to also point out that if you look at the problem with the uninsured right now, first is the employer-sponsored insurance which increasingly fewer and fewer people are able to take advantage of, even though they are working, because the employer simply does not provide either any coverage or a meaningful coverage that they can afford with their copayment.

What employers tell me is that we have to provide some sort of incentive for them if they are going to cover those people that work for them that they do not cover now, and that either means, again, if you are going to use tax policy, some kind of tax benefit to them or, alternatively, getting rid of some of the cost of the coverage.

For example, when Senator KERRY was running for President, he had proposed taking catastrophic insurance off the table. In other words, having the government in some way provide for catastrophic coverage because that is a big part of the cost and so the employers, if they did not have to pay for catastrophic coverage because the government was subsidizing that in some way, they would be a lot more likely to offer a health insurance plan with a relatively low copayment.

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This is something the President hasn't mentioned.

The other thing, I think, and even more important, is that you have to realize there are a lot of people that are just never going to get employer-sponsored coverage, either because of the situation with their employment, whether it is full-time or part-time, or because they are not working and they are not, for some reason, eligible for existing government programs.

We also need to look at the government programs which the President completely ignores, whether it be, you know, Medicaid or Medicare or the SCHIP, you know, program for kids, and look at ways to expand eligibility and provide funding for those programs to sort of take up the gap.

I just want to throw those out as the types of things that the Democrats will be looking at in addition to the tax policy.

I yield to the gentlewoman from Florida.

Ms. CASTOR. I thank the gentleman. There is good news now that we have the new Democratic Congress, and this year we are going to reauthorize that children's health insurance program. The gentleman from New Jersey has been a true leader in this effort, and I look forward to working with you in that effort.

But here is a real success story over the years where, under President Clinton, out of a program that grew out of the State of Florida, so I have a bit of pride in that, children of working families, and we are not talking about the low-income, impoverished, we are talking middle-class families that don't have any other way to take their son or daughter to the doctor in an affordable way.

Well, this year is our opportunity to look at what has worked across the country. There are programs in many States. Many States have been very aggressive, and they understand how important it is for children to be immunized, for them to make sure that a cold doesn't turn into pneumonia, because ultimately we will pay those higher costs on the back end if we don't treat them on the front end.

Unfortunately, in the State of Florida, we are not living up to the initiation of the program and the grant, the pride that comes from that originating in Florida. I am going to have to get one of these nice fancy charts one day. But I have got one here that shows what a success it was in Florida when we started, but because of bureaucratic barriers created under another Bush, under former Governor Bush, we have lost hundreds of thousands of children off the rolls, which doesn't mean that all children in Florida are healthier, we are still a growing State, but they have created such a costly bureaucracy for parents and for doctors and for all health care providers that we are not able to serve kids like we should.

So that is one of the critical solutions that I think we have got to work on.

Let us cut out this bureaucracy. What is wrong with allowing parents to take their child to the doctor's office, just take them to the doctor's office and get the health care they need without creating all of this paperwork and bean counters in Tallahassee and bean counters in Washington that are having to spend a lot of time and a lot of our resources that could be going into the health care for our kids?

Mr. PALLONE. I appreciate your comments. I think they are right on point. We, in our Health Subcommittee, the Energy and Commerce Committee, in about 2 weeks, are going to have hearings on the SCHIP, the kid care program. One of the things we will be looking at is how we can get kids,

now eligible, enrolled, because there are too many barriers.

I mean, in my home State of New Jersey, I really believe in our State we have been doing everything we can to try to get kids enrolled who are eligible. But we still have the majority, we have more kids that are eligible for SCHIP that are not enrolled than we had kids that are actually enrolled.

So something has to be done, whether it is outreach, whether it is getting rid of the bureaucracy, streamlining the application process. These are some of the things that we as Democrats are going to take up here, because this is a major way of covering the uninsured.

The biggest group of uninsured continues to be children, so I appreciate the gentleman's comment.

I see the good doctor from Wisconsin.

I yield to the gentleman from Wisconsin.

Mr. KAGEN. I agree with you that many people get very confused when you start talking about bean counting and you get into the numbers. It gets very confusing. We might be better off for everyone to understand health care and simplify it if we talk about trying to identify the essential elements that should be in any successful universal health care initiative.

Those essential elements that I don't think anyone would disagree with would be that if you are a citizen, you should be in the risk pool. Because in every State, what they are trying to do now as they seek to find a solution to this urgent problem, every State is trying to form a larger buying group, a larger insurance pool. That is really their only game plan to leverage down the costs. But if we have 300 million in an insurance risk pool with regional modifiers, we can really begin to leverage down insurance costs.

I would ask this question, what is the purpose of having health insurance? Health insurance is a form of delayed income. You put your hard-earned money into the insurance company's hands so that when you or a member of your family becomes ill, you get it back. But unfortunately today, when the money goes into the insurance company, you have to fight like heck to get it back, and it may not come back in total.

Health insurance should be available to everyone at an openly disclosed price, so everyone has an opportunity to buy something that is affordable.

Let us look at the numbers. In 1989, 83 percent of Americans had health insurance coverage from work; in 2004, 56 percent. It was because employers couldn't afford to pay the price. The cost was impossible to pay. If we had numbers today, it might be below 50 percent. More and more people that are watching tonight are falling into this category, going to bed at night knowing that if anyone in the family is ill, they are going to lose their house.

What insurance ought to be all about is guaranteeing, if you do become ill or anyone in your family becomes ill, you

are still in your house and not the poorhouse. If we identify the essential elements that need to be in any solution that is universal, I think there are several. First, openly disclose the prices.

Second, every citizen should be allowed to pay the lowest price.

Third, I think we need that insurance risk pool to be nationwide. If you are a citizen, you are in with no cherry-picking.

Fourth, we need to have a deductible that is 3 percent of a household's Federal taxable income.

If Mr. ALTMIRE were to make \$100,000 a year, he and his family could afford \$3,000 on health care. But then give it to him as a tax deduction at the end of the year, up to that 3 percent limit.

Fifth, most importantly, I believe the measure of any nation is in how we treat those who are in need. So I would say it this way, that local, State and national governments must provide for those in need.

I think it is up to us here as Democrats and Republicans to come together and decide who is in need and what is it we should provide for them? If we can agree on the essential elements that should be in any national solution, the next step will be much more easy to take.

Mr. PALLONE. I wanted to yield to the gentleman from Pennsylvania. I think we have about 7 minutes left, but I did want to mention one other thing. I know the gentleman from Florida brought up community health centers and that type of thing. That has got to be an important part of this as well.

It is unfortunate, because a few years ago in his budget message or State of the Union, the President actually said he wanted to prioritize community health centers and create a lot more, but he never provided the funding to do that, which is often the case. We get the rhetoric, but we don't get the funding.

To the extent that you can, take a lot of the people who are uninsured and who will go to an emergency room, and become part of that uncompensated care that is a big burden on the hospital, and you can, instead, set up community health centers, whether in a fixed place or in a mobile van or whatever, and have people go there as they would go to a doctor, as you said, and get the preventive care they would get from a doctor, as opposed to an emergency room later. That is a big factor in this, as well, that we have to look at. I wanted to commend the gentleman for what she said in that regard.

I yield to the gentleman from Pennsylvania again.

Mr. ALTMIRE. I wanted to comment on what the gentleman from Wisconsin was discussing with regard to community rating, which means there are approximately 160 million people in this country that are privately insured, get their insurance through their employer, pay for it themselves, but they participate in the private market.

What the gentleman is recommending, which I think would be a good step, is to put those people, or at least a large portion of those people, in the same community-rated risk pool for the purposes of setting their insurance rates. You are still getting your insurance from the same people. You still have the same freedom of choice in the market and to choose your own health plan with this initial step, but the difference is, instead of you being viewed as an individual for the purposes of setting your rates, or small business, only your 10 employees being viewed together, you have 160 million people that are in the same pool.

So if you or a member of your family, or one of your employees in the case of a small business, has the misfortune to get sick or injured, you don't get that phone call from the insurance company saying, we are going to raise your rates, because you have your rates set by the health status of the pool at large, 160 million people, not just you as an individual or your employees.

I would commend the gentleman from Wisconsin for recommending that. I do think that would be a step in the right direction.

Mr. PALLONE. I yield to the gentleman from Florida.

Ms. CASTOR. Well, under the new Democratic Congress, I think we now can show some leadership when it comes to health care solutions. We have such expertise out in our country in the various universities and the medical schools and with the researchers, and it is time for a little leadership on wellness care and preventive medicine.

I was listening very intently to President Bush last week, hoping that he would be true to his conservative principles and say we need to conserve energy and you need to be conservative in how you take care of yourself.

I think now is the time for Democrats to provide this kind of leadership on diabetes, obesity prevention that is running rampant among our children.

How do you prevent heart disease? Show how important it is to exercise, eat well and sleep. These are simple things that if we commit as a country to wellness and preventive care, we are sure to save millions of dollars later when it comes to funding Medicare and those types of programs.

Mr. PALLONE. I appreciate what the gentleman is saying. You can look at every government program, whether it is Medicare, Medicaid, NIH, whatever it is, and you can try to look at those or reinvent them so that there is more of an emphasis on prevention and wellness. This is a theme that we can look at and try to make some changes, and I think it really would make a difference.

I appreciate your comments.

I yield to the gentleman from Wisconsin.

Mr. KAGEN. It is a tremendous concept, and it will work. It is an old saying, an ounce of prevention is worth a

pound of cure. It works in health care. It works across the country, works on your automobile and will work on your body as well.

Here is another sentinel idea. Right now the insurance companies write their own policies that benefit them. I think it is time for Congress to consider writing a Federal standard, a basic health insurance policy. It becomes a Federal standard. We have Federal standards in automobile manufacturing. We have Federal standards in construction, in health care, in every industry that you can name. But we don't have a basic health care policy that each and every insurance company should have to sell.

You see, if every insurance company was selling the same piece of paper, then we could compare them based on the quality of their services and their price.

I think it is time to take that step. It is time for us in Congress to decide what should be covered. If it is in your body, head to toe, I think it should be covered. I think it is time to start writing a basic, standard health insurance policy, not mandating prices, but allow the insurance industry to set their own prices and compete for us.

Right now, back home in Wisconsin, my patients are on their hands and knees crawling to the insurance companies hoping to get in. Farmers will have their wife or themselves working on the farm during the daytime, working a nighttime job, just to get the health care benefits.

Mr. PALLONE. I know that we only have a couple of minutes left, if that, and I just wanted to thank all of you for joining with me tonight. Other than me, it was all new Members, and I think that gives us new, fresh insights into what we need to do that is really so crucial. Thank you.

If I could just say, Madam Speaker, in summing up, that, number one, we do commend the President for prioritizing health care in his State of the Union address, but essentially what he has suggested as a way of dealing with the problems is not a good start. In fact, it is very much the privatization and ideological answers that I don't think are going to work.

Democrats do have alternatives. We certainly intend, now that we are part of this majority, to move forward on those alternatives. But I know that with the input from the new Members we are going to make a difference.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. Res. 20, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2007

Mr. ARCURI, from the Committee on Rules, submitted a privileged report (Rept. No. 110-6) on the resolution (H. Res. 116) providing for consideration of the joint resolution (H.J. Res. 20) making further continuing appropriations for the fiscal year 2007, and for other