profits. Meanwhile, Minnesota seniors are at the mercy of complex and confusing drug company rules, matched by the rising cost of drugs, costs that make gas prices seem stable.

Prescription drugs have increased at twice the rate of inflation. Medicare folks pay as much as 10 times more than vets do through the Department of Veterans Affairs.

Mr. Speaker, that is no way to treat the greatest generation. We can and must do right by them. We must end the drug company charade and enact real prescription drug reform. It is time to let HHS negotiate just like the VA.

Today, the House will pass the Medicare Prescription Drug Price Negotiation Act. Let us end the scam and give the greatest generation the dignity they so deserve. Vote ''yes'' on H.R. 4.

CHAVEZ BEGINS THIRD TERM IN VENEZUELA

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, yesterday the Venezuelan president invoked Fidel Castro as the premier socialist model which, in his theory, is the economic model for not only Venezuela but the entire world.

Mr. Speaker, my observation about his speech is that it represents a defining illustration of the dichotomous philosophies of ownership and freedom that free markets versus state-owned markets present. For example, Chavez demonstrates this with his continued move to nationalize electrical and telecommunications companies.

Here in Congress with the new majority, they are starting to hammer with this heavy hand of the Federal Government down on small businesses, pharmaceutical companies, energy companies, health insurance and telecommunications industries. I hope that we will carefully examine the consequences of these decisions before repeating the mistakes of socialism. State-owned enterprises are never the solution.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. LARSON of Connecticut. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 56) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 56

Resolved, That the following named Members and Delegate be and are hereby elected to the following standing committees of the House of Representatives:

(1) COMMITTEE ON RULES.—Mr. McGovern, Mr. Hastings of Florida, Ms. Matsui, Mr. Cardoza, Mr. Welch of Vermont, Ms. Castor, Ms. Sutton.

(2) COMMITTEE ON FINANCIAL SERVICES.—Mr. Frank, Chairman; Mr. Kanjorski, Ms. Waters, Ms. Maloney of New York, Mr. Gutierrez, Ms. Velazquez, Mr. Watt, Mr. Ackerman, Ms. Carson, Mr. Sherman, Mr. Meeks of New York, Mr. Moore of Kansas, Mr. Capuano, Mr. Hinojosa, Mr. Clay, Ms. McCarthy of New York, Mr. Baca, Mr. Lynch, Mr. Miller of North Carolina, Mr. Scott of Georgia, Mr. Al Green of Texas, Mr. Cleaver, Ms. Bean, Ms. Moore of Wisconsin, Mr. Davis of Tennessee, Mr. Sires, Mr. Hodes, Mr. Ellison, Mr. Klein of Florida, Mr. Mahoney, Mr. Wilson of Ohio, Mr. Perlmutter, Mr. Murphy of Connecticut, Mr. Donnelly, Mr. Marshall of Georgia.

(3) COMMITTEE ON AGRICULTURE.—Mr. Peterson, Chairman; Mr. Holden, Mr. McIntyre, Mr. Etheridge, Mr. Boswell, Mr. Baca, Mr. Cardoza, Mr. Scott of Georgia, Mr. Marshall of Georgia, Ms. Herseth, Mr. Cuellar, Mr. Costa, Mr. Salazar, Mr. Ellsworth, Ms. Boyda, Mr. Space, Mr. Walz, Ms. Gillibrand, Mr. Kagen, Mr. Pomeroy, Mr. Davis of Tennessee, Mr. Barrow, Mr. Lampson, Mr. Donnelly, Mr. Mahoney of Florida.

(4) COMMITTEE ON FOREIGN AFFAIRS.—Mr. Lantos, Chairman; Mr. Berman, Mr. Ackerman, Mr. Faleomavaega, Mr. Payne, Mr. Sherman, Mr. Wexler, Mr. Engel, Mr. Delahunt, Mr. Meeks, Ms. Watson, Mr. Smith of Washington, Mr. Carnahan, Mr. Tanner, Ms. Woolsey, Ms. Jackson Lee, Mr. Hinojosa, Mr. Wu, Mr. Miller of North Carolina, Ms. Linda Sanchez of California, Mr. Scott of Georgia, Mr. Costa, Mr. Sires, Ms. Giffords, Mr. Klein of Florida.

(5) COMMITTEE ON HOMELAND SECURITY.—Mr. Thompson of Mississippi, Chairman; Ms. Loretta Sanchez of California, Mr. Markey, Mr. Dicks of Washington, Ms. Harmon, Mr. DeFazio, Ms. Lowey, Ms. Norton, Ms. Lofgren, Ms. Jackson-Lee, Ms. Christensen, Mr. Etheridge, Mr. Langevin, Mr. Cuellar, Mr. Carney of Pennsylvania, Ms. Clarke, Mr. Al Green of Texas, Mr. Perlmutter.

(6) COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM.— Mr. Waxman, Chairman; Mr. Lantos, Mr. Towns, Mr. Kanjorski, Ms. Maloney of New York, Mr. Cummings, Mr. Kucinich, Mr. Davis of Illinois, Mr. Tierney, Mr. Clay, Ms. Watson, Mr. Lynch, Mr. Higgins, Mr. Yarmuth, Mr. Braley, Ms. Norton, Ms. McCollum, Mr. Cooper of Tennessee, Mr. Van Hollen, Mr. Hodes, Mr. Murphy of Connecticut, Mr. Sarbanes, Mr. Welch of Vermont.

(7) COMMITTEE ON VETERANS' AFFAIRS.—Mr. Filner, Chairman; Ms. Brown of Florida, Mr. Snyder, Mr. Michaud, Ms. Herseth, Mr. Mitchell of Arizona, Mr. Hall of New York, Mr. Hare, Mr. Doyle, Mr. Salazar, Mr. Rodriguez, Mr. Donnelly, Mr. McNerney, Mr. Space.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 0930

MEDICARE PRESCRIPTION DRUG PRICE NEGOTIATION ACT OF 2007

Mr. DINGELL. Mr. Speaker, pursuant to section 510 of House Resolution 6 and as the designee of the majority leader, I call up the bill (H.R. 4) to amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate lower covered part D drug prices on behalf of Medicare beneficiaries.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Prescription Drug Price Negotiation Act of 2007''.

SEC. 2. NEGOTIATION OF LOWER COVERED PART D DRUG PRICES ON BEHALF OF MEDICARE BENEFICIARIES.

(a) NEGOTIATION BY HHS.—Section 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111) is amended by striking subsection (i) (relating to noninterference) and inserting the following:

''(i) NEGOTIATION OF LOWER DRUG PRICES.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall negotiate with pharmaceutical manufacturers the prices (including discounts, rebates, and other price concessions) that may be charged to PDP sponsors and MA organizations for covered part D drugs for part D eligible individuals who are enrolled under a prescription drug plan or under an MA–PD plan.

''(2) NO CHANGE IN RULES FOR FORMULARIES.—

''(A) IN GENERAL.—Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.

''(B) CONSTRUCTION.—Subparagraph (A) shall not be construed as affecting the Secretary's authority to ensure appropriate and adequate access to covered part D drugs under prescription drug plans and under MA–PD plans, including compliance of such plans with formulary requirements under section 1860D–4(b)(3).

''(3) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing the sponsor of a prescription drug plan, or an organization offering an MA–PD plan, from obtaining a discount or reduction of the price for a covered part D drug below the price negotiated under paragraph (1).

''(4) SEMI-ANNUAL REPORTS TO CONGRESS.—Not later than June 1, 2007, and every six months thereafter, the Secretary shall submit to the Committees on Ways and Means, Energy and Commerce, and Oversight and Government Reform of the House of Representatives and the Committee on Finance of the Senate a report on negotiations conducted by the Secretary to achieve lower prices for Medicare beneficiaries, and the prices and price discounts achieved by the Secretary as a result of such negotiations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall first apply to negotiations and prices for plan years beginning on January 1, 2008.

The SPEAKER pro tempore (Mr. MARSHALL). Pursuant to section 510 of House Resolution 6, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Texas (Mr. BURGESS) each will control 90 minutes.

The Chair recognizes the gentleman from Michigan.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include therein extraneous matter.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to yield 40 minutes

to the distinguished gentleman from New York (Mr. RANGEL) and 10 minutes to the gentlewoman from Missouri (Mrs. EMERSON), and that they each be permitted to control their own time in their own way.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. This legislation is bipartisan. It is an overdue step to improve part D drug benefits for the millions who depend on that section.

The bill is simple and straightforward. It removes the prohibition that prevents the Secretary of Health and Human Services from negotiating discounts with pharmaceutical manufacturers, and ensures that our friends in the executive branch take this opportunity seriously. It requires the Secretary to negotiate.

This legislation is simple and common sense. It will deliver lower premiums to the seniors, lower prices at the pharmacy and savings for all taxpayers. The American public subsidizes more than three-quarters of the part D benefit, paying the bulk of premiums and 80 percent of catastrophic costs. They also pay for most or all of part D medicines used by the lowest-income Medicare beneficiaries. These savings add up.

It is equally important to understand that this legislation does not do certain things. H.R. 4 does not preclude private plans from offering drug coverage under Medicare from getting better or additional discounts on medicines they offer seniors and people with disabilities. H.R. 4 does not interfere with the ability of doctors to prescribe a particular drug for their patients by establishing a national formulary. In fact, page 2 of the legislation reads: ''Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.'' I do not think that there is any clearer way to state these matters than in that fashion.

I have confidence that Secretary Leavitt can cut a good deal with the bargaining power of 43 million beneficiaries of Medicare behind him without restricting access to needed medicine.

H.R. 4 does not require price controls. Quite the contrary, the bill gives the Secretary an additional power and makes him an additional player with whom drug companies must negotiate. And I say with some sympathy for the drug companies that they have been doing so well that I can understand their opposition to this matter.

H.R. 4 does not hamstring research and development by pharmaceutical houses. The most recent Securities and Exchange Commission filings by the seven largest drug manufacturers based in the U.S. show that, on average, these companies spend more on marketing, advertising and administration than they do on research and development; and those who insist that the sky is falling if the drug companies negotiate lower prescription prices are arguing that those drug companies should continue to skin a fat hog at the expense of the taxpayers and the beneficiaries.

I further note that H.R. 4 does not require HHS's Secretary to use Department of Veterans Affairs' price schedule or to adopt a VA-like system. In fact, you will not find the words ''veterans'' and ''affairs'' in this legislation.

Independent studies confirm that Medicare overpays drug companies in purchasing medicines. I will repeat that: Medicare overpays drug companies in purchasing medicines. One study has found that half of the top 20 drugs used by senior citizens fall into that category. Medicare drug plans paid at least 58 percent more than the prescription program of the Department of Veterans Affairs. Even if the Secretary does not get those same discounts, it is clear that Medicare can do better, and we must see that they do so.

Senior citizens and people with disabilities deserve better, and after the past 6 years of pillaging the Treasury of the United States, our taxpayers deserve better.

While this legislation is an important step forward, H.R. 4 does not address other problems with part D. I anticipate we will be doing so at an early time. The list of wrongs that need righting in connection with this legislation is long, and, as I said, we will introduce legislation and deal with these matters in other ways.

I urge my colleagues to vote for H.R. 4, the Medicare Prescription Drug Price Negotiation Act. Let the Secretary of Health and Human Services use the power of 43 million beneficiaries to get a better deal for their prescription medicines, for them, and for the taxpayers.

[From the New York Times, Jan. 12, 2007]

NEGOTIATING LOWER DRUG PRICES

From all the ruckus raised by the administration and its patrons in the pharmaceutical industry, you would think that Congressional Democrats were out to destroy the free market system when they call for the government to negotiate the prices of prescription drugs for Medicare beneficiaries. Yet a bill scheduled for a vote in the House of Representatives today is sufficiently flexible to allow older Americans to benefit from the best efforts of both the government and the private drug plans.

The secretary of health and human services should be able to exert his bargaining power with drug companies in those cases in which the private plans have failed to rein in unduly high prices—leaving the rest to the drug plans. The result could be lower costs for consumers and savings for the taxpayers who support Medicare.

Under current law, written to appease the pharmaceutical industry, the government is explicitly forbidden from using its huge purchasing power to negotiate lower drug prices for Medicare beneficiaries. That job is left to the private health plans that provide drug coverage under Medicare and compete for customers in part on the basis of cost.

The Democrats' bill would end the prohibition and require—not just authorize—the secretary of health and human services to negotiate prices with the manufacturers. That language is important since the current secretary, Michael Leavitt, has said he does not want the power to negotiate.

No data is publicly available to indicate what prices the private health plans actually pay the manufacturers. But judging from what they charge their beneficiaries, it looks like they pay significantly more for many drugs than do the Department of Veterans Affairs—which by law gets big discounts—the Medicaid programs for the poor, or foreign countries.

The administration argues, correctly, that the private plans have held costs down and that there is no guarantee the government will do any better. The bill, for example, prohibits the secretary from limiting which drugs are covered by Medicare, thus depriving him of a tool used by private plans and the V.A. to win big discounts from companies eager to get their drugs on the list. The secretary does have the bully pulpit, which he can use to try to bring down the cost of overpriced drugs.

The bill also does not require the secretary to negotiate prices for all 4,400 drugs used by beneficiaries. A smart secretary could simply determine which prices paid by the plans seemed most out of line with the prices paid by other purchasers and then negotiate only on those drugs. The private plans are explicitly allowed to negotiate even lower prices if they can. This sort of flexibility should pose no threat to the free market. It is time for the Medicare drug program to work harder for its beneficiaries without worrying so much about the pharmaceutical companies.

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

Mr. BURGESS. Mr. Speaker, I ask unanimous consent that the time on my side be divided, with 40 minutes going to the distinguished gentleman from Louisiana (Mr. MCCRERY), the ranking member on the Ways and Means Committee; and 50 minutes reserved for the Committee on Energy and Commerce.

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

There was no objection.

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

I might ask, does ideological purity trump sound public policy? Of course, it shouldn't, but, unfortunately, it appears we are on the threshold of profound changes in the Medicare part D prescription drug program, a program that is working well, a program that has arrived on time and under budget.

Think of that, Mr. Speaker. Here is a Federal agency that delivered on a promise that we made here in Congress, daybreak, November 22, 2003, and it arrived on time and under budget. When have you known a Federal agency to behave in such a way?

The changes are not being proposed because of any weakness or defect in the program, despite the comments of my distinguished chairman. The changes are being proposed because a

viable program lacks the proper partisan label.

Since the inception of the part D program, America's seniors have had access to greater coverage at a lower cost than at any time since the inception of Medicare, well over 40 years ago. Indeed, over the past year, saving money has not just been a catchy slogan; it has been a welcome reality for the millions of American seniors who previously lacked prescription drug coverage.

Under the guise of negotiation, the Democrats propose to enact draconian price controls on pharmaceutical products. The claim is billions of dollars of savings. But the experts in the Congressional Budget Office yesterday denied that the promised savings will actually materialize. The reality is competition has brought significant cost savings to the program and, subsequently, to the seniors who depend upon this program every day.

Consider that the enrollment in the part D program began just a little over a year ago and has proven to be a success. CMS reports that approximately 38 million people, 90 percent of all Medicare beneficiaries, are receiving comprehensive coverage, either through part D, an employer-sponsored retiree health plan, or other credible coverage, including the VA.

But consider this: retiree health coverage was disappearing at a rate of 10 percent a year prior to the enactment of the Medicare Modernization Act 4 years ago. Further, the cost of the program for 2006 was $13 billion below budget estimates. Half of that amount of savings was attributed to competition. The projected average premium was originally $37 a month. That is what the HHS figured out was going to be the basic premium. That is the best their actuaries could do.

□ 0945

We will get that premium down to $37 a month. But the beneficiaries are actually paying an average premium of less than $24 a month.

Ninety-two percent of all Medicare beneficiaries will not enter the Medicare's cost coverage gap because they will not be exposed to the gap or they have prescription drug coverage from plans outside of part B, or their plan covers in the so-called gap. Eighty percent of the Medicare drug enrollees are satisfied with their coverage, and a similar percentage say that out-of-pocket costs have decreased.

With all that is going right about the program, it seems unwise and unkind to jeopardize its success. Specifically, just a month ago, the Wall Street Journal reported that negotiating prescription drug prices may actually lead to higher prices for consumers. Further, the Manhattan Institute For Policy Research advised that Federal price limitations will result in decreased investment and research and development on less new medicines and ultimately an overall negative impact on available pharmaceuticals. Available to whom? Available to the American people, Mr. Speaker.

Again, consider: Under the cloak of negotiation, the reality is that Federal price controls could have an extremely pernicious effect on the price and the availability of current pharmaceuticals and those products that may be available in the future to treat future patients. Is ideological branding so critical it trumps providing basic coverage to senior citizens?

Mr. Speaker, in a former life I used to study medical irony a lot. In the past 4 years, I have come to study political irony. The irony of this situation is that, for 40 years, various Presidents and Congresses tried to provide this benefit to the American people, to the American seniors, and it couldn't be done. It took a Republican President, a Republican House and a Republican Senate to provide this benefit. And therein is the problem. It lacks the proper partisan branding.

Mr. Speaker, while crafting policy that ultimately became the Medicare Modernization Act of 2003, the concept of protecting the inclusion of market forces in the legislation was a critical aspect of the ultimate bill; and keeping in mind that the central tenet of providing recipients of the large Federal program access to Federal drugs with the emphasis being on taking care of those who were least well off and those who had the greatest health problems.

The Republican policy trusted the marketplace. They trusted the marketplace, with some guidance, to be the most efficient arbiter of distribution to achieve the above goals. We had no shortage of individuals who were concerned about the overall concept and scope of the program on the Republican side during the debate. But it is useful to compare the proposals that were proffered by the other side of the aisle during this time.

Specifically, there would have been limits on access to medicine to seniors, limits on pharmacies, and right from the beginning, there was a tacit acknowledgment that the program would cost considerably more money over time.

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

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

Mr. Speaker, I welcome this debate today as we discuss an idea with merit to apply the savings of bulk negotiation to the prescription drugs taxpayers purchase through the Medicare program.

This debate rests on a single question: Where would we be if the taxpayer dollar was used to buy ammunition for our soldiers one bullet at a time? What would happen if the Department of Transportation purchased concrete mix one bag at a time? Would we instruct the IRS to purchase paper one sheet at a time? Why then do we bar the Secretary of Health and Human Services from acting on the taxpayers' behalf and, instead, expect Medicare to buy drugs one plan at a time, one pill at a time?

This bill corrects that inequity, and I look forward to our debates today.

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

Mr. DINGELL. Mr. Speaker, I yield to my distinguished colleague and friend, the gentleman from California, for a unanimous consent request.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in strong support of H.R. 4, and I want to thank the committee for bringing this bill to the floor and look forward to its passage.

In 2003, I opposed the President's prescription drug plan because it was clear that it would not help America's elderly and America's sick.

Instead, the bill guaranteed high prices to drug makers, by prohibiting the Federal Government from negotiating lower drug prices on behalf of seniors.

Today we have an opportunity to correct one of the wrongs instituted by that bill. The bill before us today is part of our ambitious agenda for the first 100 hours in this new Congress, and will start to put the interests of seniors before those of drug companies.

The states, the V.A., Fortune 500 companies, and large pharmacy chains all use their bargaining clout to obtain lower drug prices for their patients. Medicare beneficiaries deserve the same opportunity.

Giving HHS drug price negotiating authority for Medicare has overwhelming bipartisan support across the country; along with support from organizations like AARP, Consumers Union, and AFL–CIO.

Negotiating for lower prescription drug prices will be the first step towards fixing this highly flawed system and helping our seniors.

Mr. DINGELL. Mr. Speaker, I yield now to the distinguished gentleman from New Jersey, the chairman of the Health Subcommittee, Mr. PALLONE, for 3 minutes.

Mr. PALLONE. Mr. Speaker, a principal goal of this new Democratic majority is to make health care more affordable for all Americans, and that is the reason I rise in strong support of H.R. 4. This legislation will help lower prescription drug costs for our Nation's seniors and the disabled by simply repealing the provision inserted by the Republican majority into the 2003 law that prohibits the Secretary of Health and Human Services from negotiating lower drug prices.

Now, Mr. Speaker, it is a national embarrassment, in my opinion, that we have the tools to lower drug prices for America's seniors and the disabled and yet we do not utilize them. It is simply time for a new direction. This provision that we are repealing never made any sense, except to the pharmaceutical industry.

My colleague who is controlling the bill on the other side talked about reality and talked about irony. The reality is that this provision was inserted by the pharmaceutical industry, a special interest, because of their alliance

essentially with the Republican majority. And the irony is that that gentleman continues to talk about saving money when in reality we would save a tremendous amount of money by having this provision repealed. That savings, as Mrs. EMERSON said, could actually be used to increase the quality of the program, perhaps by filling up the donut hole or doing other things that would make it possible for seniors to have even more access to prescription drugs at a lower cost.

Now, my Republican friends point to the fact that seniors may be receiving lower prices thanks to negotiations between private drug plans and drug manufacturers. But I will argue that significantly more savings could be achieved, and a majority of Americans, both Democrats and Republicans, agree that the government should be given the choice to further lower drug costs through negotiations.

This is a no-brainer. Let us try it. It makes sense. Common sense alone tells us that the collective purchasing power of 43 million seniors will undoubtedly be a powerful bargaining tool in lowering drug costs. In their opposition to this legislation, Republicans and their special interest friends are using two arguments that are contradictory. First, they say price negotiations will have little impact in reducing drug costs; then they turn around and say we are killing innovation.

How can we kill innovation if our legislation has no chance of lowering drug costs? Both of these statements can't be true. In fact, both are false. The truth is these are the same worn-out scare tactics our Republican friends in Congress and the administration have used against us before. These scare tactics will no longer work in this House where the Democrats have the majority, and this new Democratic majority is moving forward with our promise to make health care more affordable and more accessible.

Vote ''yes'' on H.R. 4. I know we have some Republicans joining us on this because it is simply common sense.

Mr. BURGESS. Mr. Speaker, I ask unanimous consent that I be allowed to yield to the distinguished ranking member of the full committee, Mr. BARTON of Texas, and that he may control the time and yield as he sees fit.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. BARTON).

Mr. BARTON of Texas. Mr. Speaker, I yield myself such time as I may consume.

First, I want to apologize to the body. I thought that we went in at 10 o'clock this morning. When I left last evening, that is what it said. My staff did call me last night and tell me I needed to be on the floor by 9:30, but I thought they were gaming me, trying to get me here by 10 and telling me I had to be here by 9:30. Obviously, we did convene at 9, and I showed up at about 10 till. I thought I was 10 minutes early. So I apologize to my brethren for not being here.

There is an old saying that an apple a day keeps the doctor away, and a lot of us try to live by that. But in spite of our best efforts, sometimes we need prescription drugs. I am living proof of that. About a year ago, a year and a month ago, I was in a conference here in this Capitol with my friends in the other body, negotiating budget reconciliation instructions, and I had a heart attack.

Until that day, I had seldom had to take prescription drugs. Since that day, I take five or six. I take a drug to lower my blood pressure. I take a drug to thin my blood. I take all kinds of drugs so that I don't have a repeat of the heart attack that I had 13 months ago.

Now, I am not 65, so I am not covered by Medicare. I am in the standard Federal health benefit plan, Blue Cross/Blue Shield. And it does have a prescription drug benefit that partially pays for those drugs. But if I were to be over 65, which we have some Members of this body that are, I would have to be a part of Medicare and I would have an option under the current law to participate in Medicare part D, the prescription drug benefit program.

Now, when my friends on the other side were in the majority for 40 years, from 1954 to 1994, many of them sincerely, consciously wanted prescription drug benefits for Medicare. For whatever reason, it never quite happened. When the Republicans became the majority in 1994 and took over in 1995, it took us a while, we didn't get it done right away, but 3 years ago, we did pass a prescription drug benefit for part D, and it kicked in in the last Congress.

It is voluntary. Seniors that don't want to participate don't have to. Approximately 90 percent of the seniors that are eligible, we are led to believe, have chosen some plan for a prescription drug benefit.

Now, there are various plans. There are approximately 100 plans. These plans, some of them are very comprehensive. Some are very specific. Some are national, and some are regional. The long and the short of it is that every senior citizen in this country that wants a prescription drug benefit that is covered by Medicare can get one, and about 90 percent have chosen some plan; and of that, somewhere between 75 and 80 percent seem very, very satisfied.

The average cost in monthly premium is $22 a month. Twenty-two dollars a month. There are some plans, I am told, that have zero premiums; you don't have to pay to participate. Within those plans, over 4,400 drugs are covered. In some of these plans, generic drugs are free. In some of these plans, the donut hole does not exist.

So through diversity and market competition, we have created a prescription drug benefit for senior citizens in America that seems to be working very, very well.

Now, my friends on the Democrat side, the new majority, have come in, and they have got this bill up today. They want the government to negotiate prescription drug prices. On the surface, that may seem like a good idea. In reality, it would be a terrible idea. Who is going to do better than market forces with thousands and thousands of people and hundreds of plans and millions of people choosing whether to participate in this plan or that plan? What government bureaucrat, even somebody as smart and distinguished as the current Secretary of HHS, Secretary Levitt, who is going to do better than that?

Now, this concept that the government can negotiate a better price is simply not true. The CBO has come out and said it is not true, various think tanks have come out and said it is not true. But if you think it might be true, think of the products for which the government is the only purchaser and ask yourself, do we get the absolute best price?

There are not many products that the government is the only purchaser, but there are some. Aircraft carriers. There is not much demand for an aircraft carrier in the private market, so the U.S. Government is the only purchaser of aircraft carriers. An average cost of an aircraft carrier right now, I think, is about $5 billion. Now, we get a very quality product. The USS *Reagan* is the epitome of an aircraft carrier. But I don't believe we could say that we buy it at the absolute rock bottom price.

Now, we may not want to when it comes to some of our military equipment. We may not want to get the absolute best price. We may want to get the absolute best product, and so we are willing to pay a premium for that.

□ 1000

But there is really no way that a person in the Federal Government, or a group of people in the Federal Government, is going to replicate the thousands and thousands of market forces that are in play today.

So of all the ideas that my friends in the new majority have brought forward in their first 100 hours, I would respectfully say this has got to be the worst one. And I don't mean that in a mean way.

We have a program, Medicare part D prescription drug benefit, that is working. The people that can participate are choosing wisely. The premiums are coming down. The cost is coming down. It covers over 4,400 drugs. It is working.

As they say in many parts of our country, if it ain't broke, don't fix it. So I would respectfully urge the body later today to defeat this program.

Mr. Speaker, I rise in opposition to H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. This bill reduces access to drugs, creates a massive new pricing bureaucracy, slows access to drugs, and disrupts a

program that works. Let me restate—this program works. Beneficiary premiums are 42 percent lower than expected, overall costs are 30 percent lower than anticipated, and more importantly, seniors like what they are getting. Beneficiary satisfaction with their drug benefit is 80 percent or higher. So if it works, why break it?

Upon reading H.R. 4 there are some things that I know, some things that I don't know, and some things that I fear to be the case. Here's what I know. I know that there's a prescription drug benefit available in this country for 43 million Medicare beneficiaries. Of those folks, 90 percent now have some form of drug coverage.

I know that premiums are now down to around $22 per month for those that choose to enroll in this new benefit. And that's lower than last year because competition continues to drive the premiums down.

I know that beneficiaries like their new drug benefit. I know that beneficiaries are getting the drugs of their choice at the pharmacies of their choice, all at low costs. And I'm told, sometimes at zero cost for some drugs if they choose generics. Should I say that again? That's zero costs for some drugs. Here's a question—how does the government negotiate a lower price than zero?

H.R. 4 will not produce any savings. Why do I say that? The Congressional Budget Office has stated multiple times the federal government can not get lower prices than those currently achieved through competition. CBO must also know, what I know, and that is competition works.

Here's what else I know—H.R. 4 requires the government to negotiate prices that may be charged for drugs. But what else does H.R. 4 do? That's hard to tell because H.R. 4 doesn't say much more. Is the bill just poorly drafted or is it intentionally silent about the multitude of beneficiary and pharmacy protections in the current drug program that could be eliminated?

Upon reading H.R. 4, I do not know if plans will be able to offer the same wide array of drug choices as under the current program. I do not know if our seniors are protected from being stripped down to just one or two drugs offered from the many they may now choose from to best suit their health needs. I do not know if there are protections in place to assure access to robust pharmacy networks, and I do not know if pharmacy reimbursement associated with dispensing drugs could be limited, eliminated, or otherwise restricted.

What I fear is that H.R. 4's silence on these very important questions means that such beneficiary and pharmacy protections have not been considered. What I fear is the effect H.R. 4 may have on beneficiary access to drugs and pharmacies. Unfortunately, there have been no hearings or mark-ups to discuss and debate these important issues.

And even with knowing that H.R. 4 produces no savings, that beneficiaries overwhelmingly like this benefit, that the benefit works, that pharmacies are participating, and that premiums and overall costs are down, Democrats—led by Speaker PELOSI—feel compelled to blindly undermine this program with no legislative record to back up their claims. I am saddened. I am sad today for America's seniors because H.R. 4 serves no purpose other than a political one. We should not be playing politics with our seniors' access to drugs and pharmacies. We should be encouraging more seniors to enroll in this benefit, not tear it apart. Sadly, that is not what the Democrats have chosen to do in their first 100 hours of power.

And for what? We know from the experiences in other countries that government mandated drug formularies and interference in drug pricing leads to substantially less drug innovation and rationing of access to the new medicines that do come to market. Under the current program, a senior can choose a plan that will provide access to new drugs that slow heart disease, ease pain, keep families together longer, cure disease, and provide a longer and higher quality of life. In other countries with government run prescription drug plans citizens must wait years for new therapies. That's if the government chooses to provide the drug at all, just ask the cancer patients in the United Kingdom who waited years for the new breakthrough drug Herceptin to be covered.

How big and slow will this Big Government Pricing bureaucracy be? It's hard to tell with no hearings. With over 4,000 drugs, different economic conditions every year, new drugs entering the market all the time, and incredibly complicated questions about how this would work, the Pelosi plan will create a bureaucratic nightmare, but more importantly will endanger access to life improving and lifesaving medications and therapies. If you are as frustrated as I am about the unfairness of how the government pays physicians under Medicare, be prepared for more frustration on getting this political pricing scheme to work.

What about the effect of H.R. 4 on taxpayers receiving health coverage through private insurance or other federal purchasers? The non-partisan Government Accountability Office (GAO) said in a 2000 report entitled Expanding Access to Federal Prices Could Cause Other Price Changes that this type of system could raise drug prices for non-governmental purchasers. So according to the GAO, government negotiation in Medicare could lead to higher insurance costs for people with an employer sponsored health plan, a labor union plan, or even an individual insurance policy. Yet the Democrats have not held one hearing on this bill.

I ask what we are doing here today. Research firm after research firm has shown that large majorities of beneficiaries have a positive view of the prescription drug benefit. That is probably what is galling the Democrat leadership. A Republican Congress and President has passed and worked hard to administer a very popular program.

Within 100 hours the Democrat leadership has reneged on its campaign statement of bipartisanship, reneged on their campaign statement of open and considered legislative process, flip-flopped from a position of non-interference that they held in numerous bills, made hollow their statement of supporting an innovation agenda, and again shown their penchant for favoring Big Government mediocrity over choice, competition and accountability.

I was here for Contract with America. Those bills we passed with the Contract had hearings with many witnesses, Committee mark-ups and amendments, and opportunities for amendments on the floor. Who is hurt by lack of process on H.R. 4? Beneficiaries. Taxpayers. Pharmacists. Everyone. Without hearings on H.R. 4, without opportunity to develop solutions to concerns and understand the consequences of our actions, everyone loses. Particularly seniors.

In Speaker PELOSI's district there are over 81,000 Medicare beneficiaries and 103 pharmacies. How many hearings have there been to consider whether there are any beneficiary and pharmacy protections under H.R. 4? Zero.

Let's build that out a little more. The total number of Medicare beneficiaries represented by Members of the Energy and Commerce Committee is 5.4 million and there are 6800 pharmacies.

The total number of Medicare beneficiaries represented by Congress is close to 43 million. There are over 53,000 pharmacies. The consequences of this legislation are potentially grave and yet there has been absolutely no process given to determine how it would affect these important constituencies.

I don't mind an open discussion on the new Medicare drug benefit. We have had hearings on the benefit when I was the Chairman of the Energy and Commerce Committee. I like the fact that the Energy and Commerce Committee plans to hold more hearings this year. It gives me an opportunity to tout the program's successes. Seniors are seeing real savings and the cost of the program continues to decrease thanks to choice and competition. What I don't like is the purely political exercise we are being put through today that will jeopardize the access to needed drugs that the 63,000 beneficiaries in my district currently enjoy. I urge all members to oppose this process and oppose this ill conceived piece of legislation.

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

Mr. DINGELL. Mr. Speaker, it is with great pleasure that I yield to the distinguished gentlewoman from Florida, a very able Member of this body, 1 minute to our distinguished friend and colleague from Florida, KATHY CASTOR.

Ms. CASTOR. Mr. Speaker, I urge my colleagues to act today to require the Bush administration to negotiate prescription drug prices under Medicare part D so that we can achieve savings for our seniors and for all Americans.

In my district in the Tampa Bay area, one in seven residents is dependent upon Medicare for their health care needs. And over the past year, assisted seniors were struggling with the complicated and confusing part D. They do not like being forced into HMOs. Many were frustrated in Florida from having to choose from 43 different HMO plans. And then they did not receive straightforward assistance from the Bush administration.

I thank the chairman for his pledge to fight for greater reforms, but today is our first step.

It is unfair that HMOs and drug companies are making huge profits off the backs of our seniors. In the last Congress, part D was crafted to benefit the HMOs and insurance companies and not our seniors. But the Democrats know how to fix this.

A recent Family USA study found that for the most prescribed drugs, VA prices are much lower than the prices charged by insurers.

So let's act today and prove to our older neighbors and all taxpayers that we heard their pleas for help.

Mr. JONES of North Carolina. Mr. Speaker, I rise in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act, a bipartisan bill to allow the Federal Government to negotiate the best price on prescription drugs for our seniors.

The current Medicare prescription drug law prohibits the Federal Government from negotiating the best prescription drug prices for Medicare's 43 million beneficiaries.

Mr. Speaker, let me share with the House a practical example of how severe the problem of rising prescription drug prices is for our seniors. A woman from my district in eastern North Carolina saw her monthly prescription bill go from $6 per month to almost $60 a month. She spoke to a local TV station and said she would not have money for food if she had to pay that much each month. From $6 to $60 a month.

Mr. Speaker, the American people want us to pass this legislation. In a recent poll, 92 percent of Americans voiced their support for this bill. Ninety-two percent of the American people.

I have read reports that the President has pledged to veto this legislation. Sadly, yet again, the President is not listening to the American people.

Mr. Speaker, this is a bipartisan bill with support from both sides of the aisle and the support of the American people.

Mr. Speaker, it is time that this House listens to the American people, and it is time that this administration listens to the American people. And it is time for this House and the President to listen to this woman who represents millions of people across this Nation whose bill is going to go from $6 to $60 a month.

Mr. Speaker, I hope that the House will pass this legislation, and I hope that we will have the number of votes to override the President's veto.

Mr. BARTON of Texas. Mr. Speaker, I yield 3 minutes to the distinguished member of the full committee, Mr. UPTON of Michigan.

Mr. UPTON. Mr. Speaker, I have to believe that we all support ensuring that Medicare beneficiaries are getting the very best deal possible on their prescription drugs and that they want that, that they have access to drugs that their doctors believe will work best for them, and that they will continue to get their prescriptions filled at their local pharmacist. And in many rural communities, and in urban ones too in Michigan and across the country, the local pharmacist, in fact, is on the front line of health care. H.R. 4 doesn't get us there.

As many have mentioned and will mention today, the CBO estimates that having the government negotiate drug prices would, in fact, have a negligible effect on prescription drug prices. The current program which relies on the experience and expertise of the private sector drug plans and on strong market-based initiatives, incentives, is producing significant savings today for our seniors.

Here's a real example: one of my staffers reported that her mom signed up for a Medicare prescription drug plan. It took a bit of doing to sort through the many options available, but she is very glad that she did. She was paying before $106 for her Glucovance diabetes prescription. Now she is paying $5. She was paying $202 for Actos, another diabetes medication that she needs. She is now paying $30. And she was paying almost $29 for Coumadin. Now she is paying $5.

While failing to produce savings like these, many are concerned that H.R. 4, as currently written, would undermine access to medically necessary drugs for persons with HIV/AIDS, serious mental illnesses, ALS, epilepsy and other diseases and conditions. And let me quote from a letter I received this morning from the President of the Michigan Brain Injury Association: ''Let me exhort you to take the time to have adequate committee deliberations on H.R. 4 prior to its passage on behalf of our constituents and all persons with disabilities. Significant modifications are necessary to protect patients' access to prescription drugs as currently provided under Medicare part D.''

Needless to say, we have not had a minute of committee negotiations since we were sworn in.

Finally, while the current program includes requirements that beneficiaries have ready access to prescriptions through their local pharmacies, real concerns have been raised that H.R. 4 could seriously undermine that local access. That is why we need to vote for the motion to recommit which addresses those concerns.

Mr. Speaker, the bottom line is this: we do, everyone here does, want folks with Medicare to get all of the prescription drugs at the very best price. And I believe that consumer choice and the private sector competition can better drive lower cost and more availability than forcing the government to negotiate prices which may, indeed, lead to the withdrawal of drugs from the program alltogether.

As Secretary LEAVITT wrote earlier this week: ''There is a proper role for government in setting standards and monitoring those who provide the benefit. But government should not be in the business of setting drug prices or controlling access to drugs.''

Mr. DINGELL. Mr. Speaker, I am delighted at this time to yield to the distinguished chairman of the Oversight and Investigation Subcommittee, my distinguished colleague from Michigan (Mr. STUPAK) 2 minutes.

Mr. STUPAK. Mr. Speaker, today Democrats are keeping another promise to the American people as we bring H.R. 4, the Bipartisan Prescription Drug Negotiation authority to the floor.

While Members may not agree on how best to address the health care needs of America, one thing is certain: the United States has the highest drug prices in the world, and those prices keep going up. Today's legislation is a first good step to help lower the costs of prescription drugs for Americans. We can, and Democrats will, do more to lower the cost of prescription drugs in this country.

In America, everyone pays something different for their prescription drugs. If you have private insurance, your health plan negotiates lower drug prices for you. If you are covered by Medicaid, each State Medicaid program determines its own drug acquisition costs, and your State may negotiate additional rebates or discounts from drug manufacturers to further lower the price. If you are a veteran receiving health care at the VA, the Federal Government negotiates drug prices for you.

According to a recent Families USA study, the lowest price charged by the largest part D Medicare insurers for prescription drugs is at least 58 percent higher than the price under the system used by the Veterans' Administration.

It makes no sense for one Federal program to use its purchasing power to leverage lower prices, while another Federal program, Medicare, is forbidden by law, Republican law, from acting on behalf of its beneficiaries. The result is windfall profits to the drug companies.

The current Medicare prescription drug law prohibits the Secretary of Health and Human Services from conducting low cost-reducing negotiations. Today the House will repeal that provision.

I urge the Members to vote ''yes'' on H.R. 4, as it is a good step, the first step in lowering the cost of prescription drugs for seniors and all Americans.

Mr. BARTON of Texas. Mr. Speaker, I yield 3 minutes to the distinguished ranking member of the Health Subcommittee, Mr. DEAL of Georgia.

Mr. DEAL of Georgia. Mr. Speaker, as a member of the Energy and Commerce Committee, which spent hundreds of hours passing and dealing with hearings relating to this prescription drug benefit under Medicare part D, I rise in opposition to H.R. 4. I think it is hastily considered legislation that has been brought without the opportunity to evaluate several important ingredients, one being its impact on our local community pharmacists and their ability to provide access to citizens in our community.

One aspect of the current prohibition against the government negotiating is that it also prohibits the government from negotiating pharmacist fees. This reimbursement that they receive often comes in the form of dispensing fees which they use to help pay for their services in filling the prescriptions, of course. And I believe they are vital to the operation of local pharmacies because they help cover all of their costs associated with performing their duties.

Yet, this legislation provides no protection for the nearly 2,000 pharmacies in my State, or over 50,000 across the country.

The independent actuaries at CMS have already indicated that the Secretary will have limited ability to negotiate drug prices without the authority to establish formularies, an authority which is explicitly prohibited in this bill. Therefore, as the government seeks to fulfill the mandate of H.R. 4, to negotiate lower prices on drugs, I believe they will be forced to save in other areas, specifically cutting dispensing fees to pharmacists.

Without guaranteed dispensing fees for the pharmacists, many local pharmacists are going to have to leave the Medicare drug program, or the government's negotiations may lead to seniors being forced to fill some of their prescriptions by mail order and being unable to use their local pharmacist. At the least, these pharmacists will feel an unnecessary squeeze from this Democratic meddling into a successful program that has saved seniors millions of dollars and with which most of them are overwhelmingly happy.

I recognize that there are certain pharmacy groups that have supported this measure, but I believe that their letters of support do not address the real basic concern, and that is, the fact that dispensing fees may be the part that is in jeopardy.

For example, if the government has negotiated a set price for all programs, how is program A going to differentiate itself in premium from the program of company B?

I believe that it is going to squeeze the dispensing fee, and the pharmacist is the only one left in the middle to be squeezed. I would say, for the sake of our seniors and their access to their local pharmacists and for those pharmacists who want to stay in business and be a part of this program, I would urge support of the Republican motion to recommit which takes steps to protect the local pharmacist and receive a fair dispensing fee.

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Mr. DINGELL. Mr. Speaker, I yield to the distinguished gentleman from Rhode Island (Mr. KENNEDY) for 1 minute.

Mr. KENNEDY. Mr. Speaker, I am thrilled to join my colleagues in support of H.R. 4, legislation that will give the Secretary of Health and Human Services the power to negotiate with drug companies for lower prices for Medicare beneficiaries. I would like to thank the gentleman from Michigan and my good friend, the Chairman of the Energy and Commerce Committee for his good work on this legislation in bringing it to the floor.

Mr. Speaker, this is an important day, because this is a day where we take this Congress back from the special interests. We take it back from the drug companies and the HMOs, and we give it back to the people of this country and to the taxpayers. We take it from the drug companies who are charging excessive costs for profits for these prescription drugs to the detriment of our senior citizens who are paying exponentially high drug costs in the donut hole, and our taxpayers, who are paying 80 percent higher for these costs, and now we are going to be able to save those taxpayers and those consumers dollars by negotiating lower drug costs.

The taxpayers and the consumers are winners under H.R. 4. I urge its passage.

I am thrilled to join my colleagues in support of H.R. 4, legislation that will give the Secretary of Health and Human Services (HHS) power to negotiate with drug companies for lower prices for Medicare beneficiaries.

I would like to thank the gentleman from Michigan, and my good friend and Chairman of the Energy and Commerce Committee for his work to bring this issue to the floor today.

I hear my friends on the other side of aisle singing praises for Medicare Part D, the new prescription drug plan.

But I wonder if the constituents I speak with receive the same benefit that these members are describing.

When I meet with seniors back home in Rhode Island, I hear about confusing formularies and crippling costs in the so-called "donut hole."

I hear about nursing home patients who are no longer able to afford their new co-pays.

And then I hear a statistic stating that drug prices under Part D are more than 80 percent higher than prices negotiated by other agencies in the federal government.

When the Medicare Part D law was written, the drug companies had the loudest voice at the table.

Today, we are here to bring the voice of our seniors back to the bargaining table, and back to the floor of the U.S. House of Representatives.

I urge my colleagues to vote in support of H.R. 4 and to put the needs of the American people before those of special interests.

Mr. BARTON of Texas. Mr. Speaker, I am going to yield 2 minutes to one of our most distinguished Members, Dr. PRICE, for 2 minutes.

(Mr. PRICE of Georgia asked and was given permission to revise and extend his remarks.)

Mr. PRICE of Georgia. Mr. Speaker, this is a solution truly in search of a problem. We have heard of the success of the current program. We have heard a lot about special interests. Well, I rise to tell you that the patients of this Nation are my special interests. As a physician, I have seen and know that increased governmental involvement will decrease the drugs available and will harm patients. Some say, well, the VA system works just fine, and the government negotiates prices there; why not use that same system?

Well, there is no way to compare those two systems, Mr. Speaker. They are absolutely apples and oranges. VA is a closed system. Medicare is an open system that offers choice that patients want. VA has no retail pharmacy benefits, none. Medicare provides access to community pharmacists, where many seniors receive great information and support.

I have worked in the VA. I know what it means when they offer you, when they give the physicians a list of drugs that they are able to provide the recipients in a VA system. It doesn't work. It is a decreased formulary. There are those who think that they are going to get the pharmaceutical companies by adopting this bill.

Mr. Speaker, all they will do is hurt patients. We will ultimately see higher costs, fewer drugs available, less quality health care and patients harmed. Those supporting H.R. 4 think that they know what is best for patients. We simply believe that as a matter of principle it is patients and doctors who should be making personal health care decisions, including the medications used.

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

I simply want to respond to an issue that was raised by our colleague from Georgia with regard to the impact on community pharmacists. I would submit for the RECORD this letter, statement by the Association of Community Pharmacists in support of H.R. 4 saying H.R. 4 does no harm to community pharmacists. We cannot find any provision in H.R. 4 that would either improve or diminish the situation that they are currently faced with regard to the pharmacy benefit managers who are negotiating with them as well as well as taking profit from the pharmacies. This is what is happening because of Medicare part D today.

THE ASSOCIATION OF COMMUNITY PHARMACISTS STATEMENT ON H.R. 4 AND RESPONSE TO ASSERTIONS THAT H.R. 4 IS HARMFUL TO COMMUNITY PHARMACISTS

H.R. 4 does no harm to community pharmacists. The real harm done to community pharmacists occurred when Congress passed, and the President signed into law, the original Medicare Modernization Act (MMA) in 2003. Direct negotiation as contained in H.R. 4 will not directly impact pharmacies because pharmacies are currently being reimbursed at a loss regardless. If this legislation succeeds in bring drug prices down, it will only reduce the top line sales figure—but will have no effect on the gross margin of pharmacies or the ability of pharmacies to continue to operate.

The MMA allowed for Pharmacy Benefit Managers (PBMs) to mandate ridiculously low dispending fees with no minimum to protect pharmacies. ACP cannot find any provision in H.R. 4 that would either improve or diminish this situation.

The real problem in Medicare Part D is that PBM profits have increased at the expense and detriment of beneficiaries and community pharmacies. Beneficiaries and community pharmacies will not have any true relief until Congress stops the PBMs from taking a vast and disproportionate share of the money out of the system.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentlewoman from California, valuable member of the committee, Ms. ESHOO, 2½ minutes.

Ms. ESHOO. I thank our distinguished chairman and am proud as an

original cosponsor to support the bill that is before us.

Mr. Speaker, when the Medicare part D legislation was brought to the floor of the House of Representatives in 2003, I voted against it. I think it is worth recalling that evening. I think it is worth recalling that evening. The 15-minute vote on the clock was left open for almost 3 hours, where arms were broken and twisted in order to secure passage of the bill.

One of the most troubling aspects of the legislation to the American people, and we have all heard it from our constituents, was that the legislation said that the Secretary of Health and Human Services was prohibited, prohibited, from securing the best price to purchase pharmaceutical drugs. That is a bad rub with the American people.

They saw through it, and we are here today to correct that provision. Drug prices under the current Medicare prescription drug plan are more than 80 percent higher than prices negotiated by other agencies in the Federal Government.

They are more than 60 percent higher than prices in Canada. This year alone, many beneficiaries and private drug plans will see their premiums increase by an average of 10 percent, while some premiums will rise to more than six times their current costs to beneficiaries. So this effort today is a very full and clear and purposefully directed one, and that is to get better prices for prescription drugs.

Whether you are covered by insurance or not, some here are in Medicare, some not, as Members of Congress, but you know, that when you go to buy, when you go to purchase, that we are paying high prices. We all support the innovation of the pharmaceutical industry.

We know how important the innovation of the pharmaceutical industry is. This is not a vote or a bill to harm that or to damage it, but we want to be fair to the American people. We made a pledge that we would do this. This correction is more than in order.

I ask my colleagues to support this bipartisan legislation. I want to congratulate Mrs. EMERSON for the courage that she has demonstrated on this issue over the years.

Mr. Speaker, as an original cosponsor, I rise in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007 which will repeal a provision of the 2003 Medicare law which prohibits the Secretary of HHS from negotiating lower drug prices for Medicare's 43 million beneficiaries. The bill not only permits the Secretary to negotiate, it requires him to.

Mr. Speaker, I opposed the Medicare Part D prescription drug plan passed by the House in 2003, and in the nearly three years since its passage it has been demonstrated conclusively that it does not contain drug price inflation, nor does it offer our nation's seniors the best prices for their prescription drugs. A recent Families USA study shows that under the current policy, prices charged by Medicare drug plans are in fact rising at more than twice the rate of inflation.

Drug prices under the current Medicare prescription drug plan are more than 80 percent higher than prices negotiated by other agencies in the federal government and they are more than 60 percent higher than prices in Canada. This year alone, many beneficiaries in private drug plans will see their premiums increase by an average of 10 percent, while some premiums will rise to more than six-times their current cost to beneficiaries.

This week the University of Michigan Medical School released a study which found that people who live in different states but take the same drugs, pay dramatically different prices for their prescription drugs, at times differing by thousands of dollars. The authors of the study found the extreme disparities were due to the fact that individual drug plans negotiate with pharmaceutical companies to devise their own drug lists, premiums and co-pays.

Under the legislation before us, the Secretary of Health and Human Services will not only be required to conduct important cost-saving negotiations, but individual drug plans will still be permitted to obtain further discounts or prices lower than the price negotiated by HHS for covered prescription drugs. This will encourage increased competition in the marketplace, which will help guarantee America's seniors the lowest price possible on their prescription drugs.

In an additional effort to encourage lower drug prices, the bill also expressly prohibits the Secretary from limiting seniors' access to certain medications, or from favoring one drug over another through restrictive formularies.

The House Committee on Oversight and Government Reform estimates H.R. 4 will reduce overall drug costs by 25 percent. Over a 10-year period, the total savings for Medicare beneficiaries would reach an estimated $61 billion. These savings would be reflected in lower premiums, I reduced co-pays, and lower out-of-pocket costs for beneficiaries in the "doughnut hole."

Mr. Speaker, America's seniors deserve better than the current Medicare drug plan, and the American people know it.

Mr. BARTON of Texas. Mr. Speaker, I would like to yield 2 minutes to the distinguished Congresswoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman for yielding.

Mr. Speaker, I rise today to let Florida's seniors and all of America's seniors know the scary truth about H.R. 4, the legislation to, quote, negotiate prescription drug prices in Medicare. While the rhetoric would lead you to believe that H.R. 4 is the same legislation from the past that I actually supported, kind of like GM said, it is not your father's Oldsmobile. This is not the same bill as last year.

Last year's legislation, I believe, was based on sound policy. Unfortunately, the bill before us today was crafted kind of like in the middle of the night, with no real input from the other side, and it could be described as a bait-and-switch game foisted on America's seniors.

As I said at the outset, I believe that this bill will actually harm America's seniors. Supporters of the bill talk about negotiation. The government doesn't really negotiate.

Let me give you an example. Here is the example of the Medicare part D, actually, the AARP plan, where over 100 great drugs are covered.

However, if you look at when government does negotiate, it excludes some very important drugs to seniors, such as Crestor, Detrol, Evista, Flomax, Lipitor, Prevacid and Vytorin. How many seniors are on medicines such as Lipitor? A large number. It is absolutely necessary for lowering cholesterol. But when you start to negotiate, that array of drugs that are available is suddenly shrunk.

Prescription drug access is not a partisan issue. My constituents know that I am not afraid to cross party lines to get things done. Throughout this entire 2-week period, I voted for legislation, but I don't support this bill because it is a bait-and-switch.

I do not stand alone in this belief. Veterans' organizations, mental health organizations and even CBO say it is a bad bill.

Mr. Speaker, I rise today to let Florida's seniors know the scary truth about H.R. 4, legislation to negotiate prescription drug prices in Medicare.

While the rhetoric from the other side would lead you to believe that H.R. 4 is the same legislation debated in the past, I rise to tell you that H.R. 4 is not your father's Oldsmobile.

In the l09th Congress, I supported bipartisan legislation introduced by Representative JO ANN EMERSON that would have allowed HHS to negotiate prescription drug prices for Medicare.

Mrs. EMERSON's legislation was based on sound policy, and would have been open to amendment on the House floor.

Unfortunately, the bill before the House today was crafted by Democrats in the middle of the night, and with no Republican input. It is nothing but a dangerous bait and switch game foisted on American seniors.

Even more damning to the Democrat's commitment to open government, this bill is being debated under a martial law rule, with no possibility to offer amendments or make improvements.

As I said at the outset, this bill will harm American seniors.

Supporters of H.R. 4 hold up the Department of Veterans Affairs as a resounding prescription drug success. And I agree this is a great program.

However, these misinformed Members are comparing apples to oranges.

The VA does not haggle over prices with pharmaceutical companies; rather, it follows certain formulas set in federal law.

Medicare has 4,300+ drugs approved; the VA only has 1,300 drugs approved.

Medicare supports the newest and most widely used drugs; the VA relies on older and less effective drugs. Lipitor, for example, which helps lower cholesterol and prevents heart attacks, could be eliminated. The VA does not offer it!

These three examples make it clear that if the Democrats follow the VA model, seniors will have fewer choices and older, out-of-date drugs.

In fact, groups like the Military Order of the Purple Heart and the American Legion believe that Medicare drug negotiation will actually increase drug prices and cost American veterans even more each month!

You know, all of us fill our shopping cart at the grocery store each week. The consequence of H.R. 4 will be to force your grocery store to offer fewer items and limit your shopping choices. Here's just one example.

Eighteen months ago, I met a World War II veteran who told me that he and his wife were paying $2,000 a month out of pocket for a breakthrough medication that her doctor prescribed (Glevac).

This was a severe financial burden, just to purchase the medicine to keep her alive.

Today, with the Medicare Prescription Drug plan, this couple not only gets Glevac medication, but has had their costs cut to almost nothing.

If H.R. 4 were to become law, it is likely that anti-cancer drugs like this one would be taken off the Medicare list and replaced with older and less effective ones.

Let me be clear to everyone watching on C–SPAN.

Prescription drug access is not a partisan issue.

My constituents know that I am not afraid to cross party lines to get things done.

Just yesterday I voted to support stem cell research. The day before that I voted to raise the minimum wage.

And, I do support allowing HHS to negotiate prescription drug prices.

But this bill is a bait and switch tactic.

The Democrats have crafted a seriously flawed plan, one that I believe will cause irreparable harm to millions of seniors.

And I do not stand alone in this belief. Veteran's organizations, mental health organizations, and others all have come out in opposition to H.R. 4. The non-partisan CBO says it will not save money.

Listen up America—let's be cautious on this issue. The last thing Congress needs to do is to take steps that unwittingly hurt our seniors.

I urge my colleagues to oppose this bill.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to our able colleague and dear friend, Mr. GENE GREEN of Texas.

Mr. GENE GREEN of Texas. I thank the chairman of my committee for yielding to me.

Mr. Speaker, when Congress created the Medicare prescription drug benefit over 3 years ago, it failed to put seniors first. Our committee, the Energy and Commerce Committee, sat through the all-night markup in our own committee to see this bill come out of committee.

The whole House sat in this Chamber, an all-night vote, to pass that bill by such a narrow margin after the vote was held open. Today is the day we get a chance to correct the problems that were created 3 years ago.

This bill, the law, put the pharmaceutical industry ahead of our seniors. It put the health insurance industry ahead of our seniors. The bill will correct those mistakes. Opponents of this bill raise the charges of big government saying, let the market work. That is exactly what this bill will do. It will leverage the buying power of 42 million American seniors that negotiate costs of prescription drugs under Medicare.

Negotiation of drug prices is alive and well in every sector of the health care industry. States negotiate for lower prices on their Medicare programs. Pharmacy chains do the same thing for the drugs they purchase. They don't have formularies. They purchase drugs for their customers, so pharmacy chains can do the same thing.

All this bill does is allow the Medicare program to use a tool for free market bargaining best prices for its beneficiaries. Rarely will you see overwhelming support for an issue like we have seen on this one. Ninety-two percent of Americans agree that we should take off the handcuffs that have been restraining the Medicare program and give it a chance to achieve greater discounts.

The alternative is increasing drug costs and increasing premiums that make the benefit harder for our seniors to afford. The numbers don't lie. Under the current structure, 77 percent of seniors saw their premium part D increase in 2006 and 2007, and more than one-quarter of them saw their premiums rise more than 25 percent.

Drug prices under part D are increasing too with costs for the top 20 drugs increasing 3.7 percent in the last 6 months.

When Congress created the Medicare prescription drug benefit over three years ago, it failed to put our seniors first. It put the pharmaceutical industry ahead of our seniors. And it put the health insurance industry ahead of our seniors. This bill will correct those mistakes.

Opponents of this bill raise charges of big government, saying to let the market work. That's exactly what this bill does by leveraging the buying power of 42 million American seniors to negotiate the cost of prescription drugs under Medicare.

Negotiation for drug prices is alive and well in every other sector of the health care industry. States negotiate for lower prices under their Medicaid programs. Pharmacy chains do the same for the drugs they purchase.

All this bill does is allow the Medicare program to use a tool of the free market—bargaining—to obtain the best prices for its beneficiaries. Rarely do we see overwhelming support for an issue like we've seen for this one. 92 percent of Americans agree that we should take off the handcuffs that have restrained the Medicare program and give it a chance to achieve greater discounts.

The alternative is increasing drug costs and increasing premiums that make the benefit harder for seniors to afford. The numbers don't lie. Under the current structure, 77 percent of seniors saw their Part D premiums increase from 2006–2007. And more than one-quarter of them saw their premiums rise more than 25 percent.

Drug prices under Part D are increasing too, with costs for the top 20 drugs increasing 3.7 percent over six months. That's 7.4 percent over a year—an increase twice the rate of inflation and one that will cause our seniors to hit the doughnut hole even sooner.

We have a chance today to do better by our seniors. It's about time we put our seniors first and let Medicare work for them.

Mr. BARTON of Texas. Mr. Speaker, I would like to yield to the distinguished gentleman from Nebraska, a member of the committee, Mr. TERRY, for 2 minutes.

Mr. TERRY. Mr. Speaker, I rise today in opposition of this bill. I am committed to reducing drug prices for seniors, but this bill does not do it. I have worked as hard as anyone in this Chamber to help seniors enroll in prescription part D.

It has been in place for a little over a year now. I think it is time that we kind of look at how effective it is in ways that we can ensure that we are getting the lowest prices for our seniors. Now, let us look at how we do this.

I want to stress one difference. We have been tagged as somehow part of a big conspiracy because of barring government from price setting.

By the way, if you look at this week and its agenda, it is the week of wage and price controls by big government. That is what this is about. It is a philosophical battle of whether you trust the private sector to use their power of bulk purchases to receive the lowest prices, or you put government at the table to quote-unquote, negotiate.

Every time I say that in quotations, I really mean that in a satirical way because government doesn't really negotiate; they price set. That is the heavy hand of big government at work today.

Frankly, even using that heavy hand of government, the CBO reports that any negotiation, in quotations, by big government for lower drug prices would be negligible, because it would at least, in its best day, equate what the market has already done.

There has been no ban on negotiations; it has just simply been who does it, private sector or government? I am a private sector guy. I trust the private sector. Part of the problem here is that the government lacks the leverage in any type of negotiations. That is why they can only use the heavy hand as the leverage in negotiations, for example, ultimately price setting. That is why I voted to ban the government from setting prices, and I will not start down that slippery slope today.

Mr. Speaker, I rise today in opposition to H.R. 4. I am committed to reducing drug prices for seniors, but this bill does not do it.

I have worked as hard as anyone on this floor on behalf of seniors in the implementation of Part D. Now that we have had the program in place for over 1 year, opportunity to evaluate the effect of the program on seniors' drug prices.

Much to the dismay of the members of the majority who have done nothing to assist seniors with this program, the program is working well. Costs are down and seniors are satisfied. Requiring the government to negotiate drug prices is not going to save the program any money, according to both CBO and CMS actuaries. CBO states that, "H.R. 4 would have a negligible effect on federal spending." And the claims by the majority that savings would close the so-called donut hole are simply untrue. The size of the donut hole is estimated at almost $500 billion. Even if this provision

created major savings, it wouldn't come close to closing the donut hole.

Dr. Mark McClellan, the former CMS Administrator, has said that competition among private companies and their negotiations with drug companies have lowered the estimated cost of the program over the next 10 years by nearly 20 percent and may reduce it by another 10 percent next year. The average premium, originally estimated to be $37 per month, has fallen to an average of $22 per month. I am encouraged that competition in the private sector has done what the free market does best—lower costs.

The key here is leverage. Negotiation means nothing if you don't have something to leverage. Part D private plans already have natural leverage built in. As CBO has stated, the private plans have a huge financial stake and formulary limitations which give them the ability to negotiate drug prices.

The requirement for the Secretary of Health and Human Services to enter into pricing negotiations as contained in H.R. 4 simply cannot work. The bill prohibits a single national formulary from being established. If the government is not allowed to limit or restrict the number of drugs covered, it will have absolutely no leverage to negotiate with drug manufacturers. Such a mandate, I believe, would be extremely unattractive to our Nation's seniors. They would not have the flexibility to choose a plan that best meets their drug needs, as is the case right now.

I do not support H.R. 4 because I oppose turning a program over to the government that is working efficiently and effectively in the private sector. Congress created the Part D program to allow market forces to drive costs down and that is exactly what is happening. It would be disastrous to our seniors to make such a draconian change when the cost savings have been so great.

When the private sector can perform more efficiently and achieve better results than the Federal Government, the private sector should do so. Adoption of this bill will put us on the way to socialized healthcare, a result I don't believe any American really wants. Vote ''no'' on H.R. 4.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentleman from Wisconsin (Mr. KAGEN) 1 minute.

□ 1030

Mr. KAGEN. Mr. Speaker, health care costs in this country are impossible for everyone. For small businesses, for local, State and Federal governments, the uninsured, for working families, and most especially for our senior citizens.

As a physician, I see and feel this crisis every single day. Today in America the real price of a pill is whatever they can get. My patients and my constituents want to know the price of a pill before they swallow it, and they would prefer to pay less rather than more.

H.R. 4 will allow our government, ''We, the People,'' to negotiate more affordable prices for the necessary prescription drugs our seniors require. Our health care crisis that we all are facing blurs the lines between Republicans and Democrats.

Allow me, please, to share with you the comments of one of my constituents, a Republican, Dorey Hoffman from Appleton, when she says: ''When I went to receive cancer treatment, I saw this at the reception's desk at the cancer center. I thought of you being the voice for all of us and of course all the cancer patients. We all need someone to help us in our everyday lives.''

Please join with me in support of H.R. 4 and help Dorey and millions of other senior citizens.

Mr. BARTON of Texas. Mr. Speaker, I wish to recognize the distinguished gentleman from New Jersey (Mr. FERGUSON) for 2 minutes.

Mr. FERGUSON. Thank you, Mr. Chairman.

Mr. Speaker, unfortunately today we are hearing a lot from the proponents of H.R. 4. We are hearing a lot of misinformation and lot of rhetoric, and I think some of these things need to be corrected for the record.

The biggest misconception is that the buying power of Medicare patients is currently unused, and that somehow this new plan is the only way to leverage lower prices for prescription drugs. In fact, prescription drug plans under Medicare part D right now are aggressively negotiating discounts; they have been before part D, and they continue to do so very well since the program's inception and they are going to continue to look to negotiate lower prices. They have been negotiating and giving beneficiaries choices and access to the newest breakthrough therapies.

Through Medicare part D, in its current form, beneficiaries have access to over 4,000 prescription medications at a much lower cost than previously estimated when we passed this legislation a few years ago. CMS has indicated that beneficiaries are saving an average of $1,200 annually on their drug costs.

Program costs are an estimated 30 percent less in 2006 and 21 percent less over the next 10 years due in large part to competition and negotiating of lower drug costs.

Currently, Medicare prescription plans have the discretion to use cost-containment tools. They can use formularies, and many of them do. Unlike Medicaid and the VA, Medicare beneficiaries actually have the power to choose which plan they want. If they see a plan with a formulary they like or don't like, they can choose or not choose that based on their own discretion; but if Medicare or the government, as prescribed under this bill, under H.R. 4 and its required mandatory negotiations, it will have to impose a uniform restriction on medicines, patients will lose their choices, and they will be stuck in a one-size-fits-all plan. They will be stuck with a restrictive national formulary and no choices whatsoever.

You have to be hiding under a rock recently if you have missed the numerous experts that are telling us that this brand of negotiation will limit choice and will not save money. I urge a ''no'' vote on H.R. 4.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentlewoman from California (Mrs. CAPPS) 2 minutes.

Mrs. CAPPS. Thank you, Chairman DINGELL.

Mr. Speaker, I believe that today in the House of Representatives there is no one here who would dispute the fact that the large pharmaceutical companies have raked in record profits under the Medicare prescription drug plan we are currently seeking to improve.

Today, in this vote before us we are facing a clear choice. We can continue to reward these companies, or we can consider our constituents, our frail seniors, those with disabilities, many of whom are still struggling to make heads or tails out of Medicare part D that we seek to improve.

Common sense tells me that the big drug and insurance companies wouldn't be so adamantly opposed to this bill if they didn't fear that it would result in actual price reductions. Common sense also tells me we should take every possible step to lower the cost of prescription drugs, and this bill can achieve that.

There is precedent for the Federal Government obtaining good discounts for prescription drugs; our seniors know that, and they believe it. Don't be fooled into believing that this bill might somehow leave seniors losing access to important medications. The bill explicitly prohibits the government from establishing formularies.

It is going to also address one of the biggest challenges still facing our seniors, the fact that they have to decide every December which plan they will choose, hoping that it will offer the cheapest price for drugs that they are going to take for a whole year. The problem is that not everyone takes the same prescriptions from one January to the next; and reducing prices across the board will ensure that when a beneficiary's doctor changes their prescription halfway through the year, their new medication will also be available at a lower cost.

I urge all of my colleagues to think about our seniors, think about those with disabilities. Vote ''yes'' on H.R. 4. Fulfill a promise to serve the best interests of the constituents, not the best interest of profit-hungry big business.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 2 minutes to put into the RECORD the Democrat vote on the motion to recommit to H.R. 4680, rollcall 356 back in 2000. This was a Democrat motion to recommit to the Republican drug benefit that later went to the Senate and was not acted upon. 205, and I assume that was the total number of Democrats in the House, all 205 Democrats voted for it, including Mr. DINGELL, Ms. PELOSI, Mr. RANGEL, and every member of the Energy and Commerce Committee who is currently serving who was in the body at that time. This was a recommit motion by Mr. STARK of California, and I am going to read what it says:

''Noninterference by the Secretary. In administering the prescription medicine benefit program established under this part, the Secretary may not:

One, require a particular formulary, institute a price structure for benefits or in any way ration benefits;

Two, interfere in any way with negotiations between benefit administrators and medicine manufacturers or wholesalers; or

Three, otherwise interfere with the competitive nature of providing a prescription medicine benefit using private benefit administrators, except as is required to guarantee coverage of the defined benefit.''

This is exactly the opposite to the bill that is currently before us, exactly the opposite.

Back in 2000, every Democrat currently in the House at that time, I think, or at least 205, voted for it, including all of our senior members who are leading the fight 180 degrees opposite this today.

DEMOCRATS THAT VOTED IN FAVOR OF REPRESENTATIVE STARK'S ''NON-INTERFERENCE'' PROVISION IN 2000

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Bagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OR)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

Representative Stark included this language in his motion to recommit on H.R. 4680 (roll call vote 356):

SECTION 1860(B)—NONINTERFERENCE BY THE SECRETARY

In administering the prescription medicine benefit program established under this part, the Secretary may not B (1) require a particular formulary, institute a price structure for benefits, or in any way ration benefits; (2) interfere in any way with negotiations between benefit administrators and medicine manufacturers, or wholesalers; or (3) otherwise interfere with the competitive nature of providing a prescription medicine benefit using private benefit administrators, except as is required to guarantee coverage of the defined benefit.

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

Mr. DINGELL. Mr. Speaker, I yield to the distinguished gentleman from Maine (Mr. ALLEN) 2 minutes.

Mr. ALLEN. Mr. Speaker, this day has been a long time coming for many of us.

Back in 1998, I was hearing from my constituents in Maine about the high price of prescription drugs, and I introduced a bill to tie drug prices for Medicare beneficiaries to the negotiated prices that the VA gets. The Congress didn't act, but in Maine we enacted Maine Rx. We negotiated lower prices, and we got them for so many people in Maine who were really desperate for lower-priced prescription drugs.

The Congress, under Republican leadership in the House and Senate, delayed and delayed. Eventually, it got to be too hot to handle and we passed Medicare part D.

Today, the defenders of Medicare part D are saying, Well, it is doing well because it doesn't cost as much as we thought it would cost. In truth, the real winners are on Wall Street.

Last November, in reviewing pharmaceutical profits, the New York Times said: ''For big drug companies, the new Medicare prescription drug benefit is proving to be a financial windfall, larger than even the most optimistic Wall Street analysts had predicted.'' Well, if it is a financial windfall for PhRMA, it is a lousy deal for the American taxpayer. Market forces, some say, will yield the lowest prices, but the VA gets lower prices, Medicaid gets lower prices, other countries get lower prices than the Medicare D plans.

It is very clear that negotiation will drive down prices, particularly if the Secretary negotiates especially strongly on those highest priced drugs, those drugs that are most out of line.

Secondly, the advocates are arguing that PhRMA and its allies are saying that negotiated prices will reduce revenue so much they will have to cut R&D. We have heard that for over 20 years; it has never happened.

This bill, finally, will be a good deal for taxpayers and a good deal for our seniors.

''For big drug companies, the new Medicare prescription drug benefit is proving to be a financial windfall larger than even the most optimistic Wall Street analysts had predicted. . . . Wall Street analysts say they have little doubt that the benefit program. . . has helped several big drug makers report record profits.''*(NYT, 11/6/06)*

Mrs. EMERSON. Mr. Speaker, at this time I yield 1 minute to my friend and neighbor from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act. All of us know that the Medicare prescription drug law expressly prohibits the Secretary of Health and Human Services from negotiating with drug companies on behalf of Medicare beneficiaries, 43 million in this country, for lower prices. Because of this, these beneficiaries in America are a one-person buying group and you have no leverage when you are a one-person buying group. The Veterans Administration has been very successful in working a good benefit for the veterans in this country, 34 million American veterans in this country, and getting a good drug benefit there.

While private plans have been successful in negotiating some discounts for seniors under the program, a recent study released by Families USA shows that seniors still pay as much as 10 times more for some of the commonly prescribed drugs under Medicare than veterans do.

Secretary Thompson when he left office said, ''I would like to have had the opportunity to negotiate.'' And he said to me in a conversation that if he had had the ability to negotiate like a bill that I filed with the gentlewoman from Missouri, we could drive down prices.

As you all know, the Medicare Prescription Drug law expressly prohibits the Secretary of Health and Human Services from negotiating with drug companies on behalf of Medicare beneficiaries for lower prices. Because of this, each of the 43 million Medicare beneficiaries in America is a one-person buying group, giving our seniors no leverage to negotiate for better prices.

The Veterans Administration which has had the authority to negotiate prices since 1992, does so for 34 million American veterans, as do large companies on behalf of their employees. Medicare should have the authority to negotiate a group discount for our seniors.

While private plans have been successful in negotiating some discounts for seniors under the program, a recent study released by Families USA shows that seniors still pay as much as 10 times more for some of the most commonly prescribed drugs under Medicare than veterans do under their federal drug benefit.

When Health and Human Services Secretary Tommy Thompson announced his resignation in December 2004, he spoke out against the provisions in the new Medicare law barring him from negotiating with drug companies for lower consumer prices saying, ''I would like to have had the opportunity to negotiate.''

Secretary Thompson based his support on his previous success in negotiating drugs on behalf of the government.

Following the anthrax attacks in 2001, the government negotiated the purchase of 100 million tablets of Cipro, achieving significant savings. Then in 2003, during a flu vaccine shortage, former Secretary Thompson was very successful in negotiating reductions in the price of the FluMist vaccine from $46 per dose to $20 per dose, saving over 55 percent.

It has been one of my main priorities in Congress to allow seniors enrolled in Medicare this same ability to utilize their market power to benefit from lower prices.

In January of 2004, just weeks after the new Medicare Prescription Drug Plan became law, I introduced the Medicare's Equitable Drugs for Seniors Act, the MEDs Act, with my friend Representative JO ANN EMERSON. This legislation, which gained 175 bipartisan cosponsors in the 108th Congress, would have given the Secretary of HHS explicit authority to negotiate lower pharmaceutical drug prices on behalf of Medicare beneficiaries.

In the 109th Congress, we reintroduced this legislation and we were once again able to form a large bipartisan coalition in support of the legislation.

Despite our success in forming this coalition, we have been unable to bring this issue to a vote until today. I am very pleased that the leadership has chosen to include this as a priority for the House during the first 100 hours of the new Congress and I urge my colleagues to support H.R. 4, which, if enacted into law, will help reduce the cost of prescription drugs for all American seniors.

Mr. BARTON of Texas. Mr. Speaker, could I inquire as to the balance of the time amongst the many people on the floor today.

The SPEAKER pro tempore. The gentleman from Texas has 22 minutes, the gentlewoman from Missouri has 5 minutes, and the gentleman from Michigan has 18½ minutes.

Mr. BARTON of Texas. Mr. Speaker, I yield 3 minutes to a distinguished member of the Energy and Commerce Committee and also a member of the Veterans Committee, Mr. STEARNS of Florida.

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. I thank the distinguished chairman for yielding.

Mr. Speaker, the chairman of the Energy and Commerce Committee, Mr. DINGELL, has been here in Congress the longest, he is the dean of the House of Representatives, and I am sure that he remembers under the Clinton administration when they attempted to expand the discounts for a segment of the population using this same approach you are doing with H.R. 4. In fact, this occurred in 2000 in a hearing on the Veterans Administration. I would like to take you through this, Mr. DINGELL, and perhaps even be willing to let you reply to some of the questions I have for you. Because if you think you can repeal the law of economics, you can't, because in 1990, Congress gave Medicaid access to the low prices that are achieved by the Veterans Administration and the results were not good for our veterans.

The drug manufacturers in turn reacted. What did they do? It ended up that the deep discounts that the veterans were getting were not provided. In some cases the VA saw the prices for the drugs for our veterans go up by 300 percent. That is why the American Legion has come out against this bill, H.R. 4. They feel it is going to impact veterans so significantly that the prices will go up, like they did in 1990, 300 percent.

Advocates of this bill claim that negotiations will lower drug prices for Medicare part D beneficiaries. When I look at my congressional district, almost 80 percent of the seniors on Medicare are covered with drug coverage from Part D and they are all satusfield. So I again can't understand in light of the fact it is going to perhaps see cost-shifting to the veterans in this country like the American Legion thinks, why would you want to change something that is working so fabulously after all the extensive work that the seniors have done to comply and get involved?

Various times during the Clinton administration, not the Bush administration, the Clinton administration, proposals were made to expand the discount veterans enjoy to a wider population, just like you want to do today.

□ 1045

One was a simple demonstration to add some Federal Employee Health Benefit Plan, FEHBP, participants to the Federal Supply Schedule (FSS) Drug Pricing Program and later to extend the FSS to the Medicare population. Does this sound familiar to my colleagues? So back in 2000, July, the Clinton administration wanted to do precisely what we are doing today. The veterans had a hearing on this. Testimony was offered by the Clinton administration. The Clinton administration officials came out, and let me give you one of their quotes:

This is from the honorable Edward Powell, Jr., Assistant Secretary for Financial Management, Department of Veterans Affairs. He said: ''VA is concerned about any significant cost impact to its program resulting from this pilot . . . ''

I would just conclude that, Mr. DINGELL, this has already been tried. It doesn't work.

VETERANS' DRUG PRICES GO UP WITH H.R. 4 PASSAGE

Advocates of H.R. 4 claim that negotiation will lower drug prices for Medicare Part D beneficiaries. This is bad legislation for several reasons. Of special concern to me is the harm it would do to veterans who rely on Department of Veterans Affairs (VA) health care for affordable medications.

Various times during the Clinton administration, proposals were made to expand the discounts veterans enjoy to wider populations. One was a demonstration to add some Federal Employee Health Benefits Plan (FEHBP) participants to the Federal Supply Schedule (FSS) Drug Pricing Program, and later, to extend the FSS to the Medicare population (sound familiar?). On the former, I chaired a hearing July 25, 2000. Testimony, and later analysis, revealed that expanding the discounts veterans get to OPM would have increased drug costs to veterans. Ultimately, the SAMBA demonstration was not carried through because of this objection.

Here is some testimony from that hearing:

''. . . VA is concerned about any significant cost impact to its program resulting from the pilot . . .'' The Honorable Edward A. Powell, Jr., Assistant Secretary For Financial Management, Department Of Veterans Affairs.

''We are concerned that this pilot will increase the cost of pharmaceuticals purchased by the VA and will result in diminished health care for sick and disabled veterans.'' Richard A. Wannemacher, Jr., Assistant National Legislative Director For Medical Affairs, Disabled American Veterans.

''Perhaps it should go without saying, but I must call your attention to the fact that Congress already has spoken on the issue of expanded access to FSS pricing on several previous occasions. In fact, I am aware of at least four separate laws over the past 10 years enacted purely to correct the unintended adverse consequences on VA of changes in federal pharmaceutical pricing laws. In each of these cases. the unintended consequences were the result of a law passed by Congress to achieve some other purpose, and VA was an injured bystander.'' Robert B. Betz, Ph.D., Executive Director, Department of Veterans' Affairs Pharmaceutical Procurement initiative Adding Federal Employee Health Benefit Plan Participants to the Federal Supply Schedule Drug Pricing Program.

Following my hearing, an August 2000 GAO report, Prescription Drugs: Expanding Access to Federal Prices Could Cause Other Changes, stated, ''Drug manufacturers could respond to a mandate that they extend federal prices to a larger share of purchasers by adjusting their prices to others. ''

Still further, former VA Acting Secretary during the Clinton Administration, Hershel W. Gober, wrote in the Sept-Oct 2004 issue of DAV Magazine ''Similarly, in 1999, when attempts were made to extend the FSS pricing schedule to the Medicare population we estimated that extending discounted government prices for pharmaceuticals to the Medicare population would increase the VA's annual pharmaceutical costs by $500–600 million. Now, years later, the impact will be even greater on the already constrained VA budget if FSS special discount drug prices are extended to the Medicare population and states.''

Why are Democrats proposing this harm to veterans again, when Medicare Part D is working?

Medicare beneficiaries are already receiving substantial drug discounts, through plan negotiation that works just as FEHBP works for federal and legislative employees, including Members of Congress. Do not increase costs for your veterans. Oppose H.R. 4. H.R. 4 will endanger the health, lives and budgets of veterans.

Mr. DINGELL. Mr. Speaker, I am delighted to yield 1 minute to a distinguished Member of this body, our colleague from New York (Mr. HALL).

Mr. HALL of New York. Mr. Speaker, I thank the chairman for yielding.

Rising drug prices have created an escalating crisis for seniors in my home in the 19th District of New York in the Hudson Valley and the rest of the country. This passage of H.R. 4 will represent another promise kept in our 100 hours with which we begin the 110th Congress.

When the House passed the bill creating the Medicare drug benefit in the dead of night, it took the audacious step of prohibiting Medicare from negotiating for the best price. It is unconscionable that a government agency serving 43 million seniors was not given the same consumer rights as other agencies and private companies. The drug companies have reaped record profits, the taxpayers have been shortchanged, and seniors have been forced to break the bank to pay for drugs.

Today we are moving to change that. Most importantly, we will make sure that our seniors, not the drug companies, get the best deal.

Rising drug prices have created an escalating crisis for seniors in my home in the Hudson Valley and the rest of the country. This passage of H.R. 4 will represent another promise kept.

When the House passed the bill creating the Medicare drug benefit in the dead of night, it took the audacious step of prohibiting Medicare from negotiating for the best price. It's unconscionable that a government agency serving 43 million seniors wasn't given the same consumer rights as other agencies and private companies.

In 2005, a Families USA study found that the median drug price under Part D was 48 percent higher than the price negotiated by the VA. More recently, the same group found the price spread had grown to 58 percent.

When there was a crisis created by the anthrax attacks in 2001, HHS negotiated for lower prices for Cipro. There's an ongoing crisis now for seniors trying to cope with skyrocketing drug prices, and HHS should use its negotiating skill to come to their aid.

The drug companies have reaped record profits, the taxpayers have been shortchanged, and seniors have been forced to break the bank to pay for drugs. Today, we're moving to change that.

Directing HHS to negotiate for lower prices will make it easier for Medicare beneficiaries to afford the life-saving and life-improving drugs they need. It will save billions of taxpayer dollars. And most importantly, it will make sure that seniors, not the drug companies, get the best deal.

The Medicare drug benefit was supposed to offer seniors the promise of affordable drugs that would help them enter their golden years with fewer worries. For too many seniors it turned into a dire financial predicament. I'm proud to be a supporter of legislation that will help us finally keep our original promise.

Mr. BARTON of Texas. Mr. Speaker, I would like to yield 2 minutes to a distinguished member of the committee, the gentleman from Michigan (Mr. ROGERS).

Mr. ROGERS of Michigan. Mr. Speaker, I thank the chairman for yielding.

CBO said this will not save money.

Something interesting happened. You had the chance, my friends on the other side of the aisle, in committee in the negotiation of this bill, had the chance to set prices, what this bill would do. And when you went out to set prices, you said we cannot do it. The private sector cannot do it for any cheaper than $35; so let's protect the American people, and we are going to put an amendment into this bill that sets those premiums at $35.

Let me read just from the amendment that was offered by my friends on the other side of the aisle and, thankfully, didn't pass. It is to set the premium at $35 including, as it says here, for months in the subsequent year, and some legal hyperbole here, and then in the previous year increase by the annual percentage. So every year you were going to increase the prices because the government set the price at $35.

If we had believed that price-setting was the answer in providing prescription drugs to families who needed it, who were making the decisions between food and prescription drugs, we would have increased their cost in my State by 100 percent.

It doesn't work. You are empowering the same bureaucrats who came up with the $500 hammer, and you are asking them to go out and get into America's medicine cabinet. As a matter of fact, the ones that do it now, they are

even telling you that you can't have certain drugs because it is too big for them. There are 4,300 different drugs, 55,000 different pharmacies; and when the Secretary right after 9/11 knew that they had to purchase Cipro, it took them over a month to negotiate the price because government isn't designed to be in the business of negotiating prices. They set prices, and it doesn't work very well.

Why would we take away all of the savings that all of these seniors are enjoying today? And that is what you will do, just by your example.

I would strongly encourage this body to reject price-setting and raising the cost of prescription drugs to our seniors around the country.

Mrs. EMERSON. Mr. Speaker, at this time I am privileged to yield 3 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentlewoman for yielding.

My first wife died about 5 years ago of breast cancer. And when she was going through her chemotherapy, we were sitting in a room with about five women that were getting their chemotherapy. And there was this one lady who was kind of complaining and actually had a few tears in her eyes, and she said that she had to pay $350 a month for Tamoxifen, which was the drug of choice. And a lady about three seats away from her said, Well, I get mine from Canada for $50. And I thought, my gosh, that doesn't sound right.

So we checked into it, and we found that the price of Tamoxifen was seven times higher here in the United States than it was in Canada. And I thought, well, that just doesn't seem right.

So I started checking into a lot of other pharmaceutical products. Today Tamoxifen in Munich, Germany is $60, and it is $360 here in the United States.

The point I am trying to make is the prices charged around the world are much less for the very same product, pharmaceutical product, than it is here in the United States. And Americans, I think, should get the same benefit as anybody else in the world. We are not second-class citizens.

Now, we get to the negotiation problem, and I heard the White House say, well, we shouldn't negotiate, shouldn't interfere with the free enterprise system.

I want you to know that we negotiate on just about everything right now. Let me just give you a few examples.

We negotiate on some of the aircrafts that we buy. As my colleague just said, we negotiated on the Cipro not too long ago. We negotiated on all kinds of military equipment. And for us to say that we can't negotiate on pharmaceuticals is just crazy.

When we passed the Medicare prescription drug in the dead of the night after 3 hours of keeping this machine open so they could drag up at least one vote for victory, we found out that it said in there that the government of the United States cannot, is prohibited, from negotiating with the pharmaceutical companies for prices. That means that they can set whatever price that they want and we have to pay it. There is no negotiation. And we hear from the White House and from others that we don't negotiate or shouldn't interfere in the private sector. We do it all the time. In fact, in the Veterans Administration they negotiate for drug prices right now. And many, many of the pharmaceutical products the people get in the military hospitals today are much, much less than they are buying through the Medicare system.

All I can say is that there ought to be negotiation. I am a Republican. My Democrat colleagues are pushing this bill, but it should be a bipartisan bill. The people of the United States should get a fair price for their drugs, and we should be able to have the Government of the United States negotiate for the benefit of the taxpayers to get the best price for the products that we are selling to our consumers.

H.R. 4 is a bipartisan bill aimed at cutting prescription drug prices for millions of seniors and individuals with disabilities.

The current Medicare prescription drug law explicitly prohibits the Department of Health and Human Services from using the strength of Medicare's 43 million beneficiaries to negotiate prescription drug price discounts.

Providing HHS with negotiating authority has bipartisan support in Congress and across America. In a recent poll, 92 percent of Americans stated they supported the proposal.

The bill requires the HHS Secretary to conduct such negotiations with drug companies on behalf of Medicare beneficiaries but provides the Secretary broad discretion on how to best implement the negotiating authority and achieve the greatest price discounts for Medicare beneficiaries.

The bill continues to prohibit the HHS Secretary from requiring a particular formulary (i.e., a list of covered drugs) to be used by Medicare prescription drug plans or limiting access to any prescription medication.

The federal government is well equipped with the skills needed to negotiate price discounts. It is done when we purchase airplanes for the military, when we purchase furniture for government buildings—and it is done in the health arena for programs in the Public Health Service, VA, and Medicaid.

We have seen that, even without establishing formularies, CMS can use its purchasing power to reduce costs. In times of dire need—Cipro for the anthrax attack on the Capitol in 2001 and with flu vaccines in 2004—CMS has been able to obtain lower prices.

The bill also clarifies that Medicare Part D drug plans are permitted to obtain discounts or lower prices for covered prescription drugs below the price negotiated by the HHS Secretary.

The purpose of this bill is to ensure that all avenues of achieving price discounts are being used to benefit the seniors and individuals with disabilities in the Medicare program.

While recent projections do indicate that the Medicare Part D program is costing less than originally expected, cost projections alone are simply not a strong indicator of the program's success. In the real world seniors are still experiencing—complications, confusion and increasing premiums in 2007.

Requiring Medicare to negotiate for lower prices may not save the federal government huge sums of money but it will help save seniors money by reducing premiums and out-of-pocket costs.

Whether this bill saves the Federal government money is really a function of whether the Secretary uses his authority effectively.

Congressional Budget Office (CBO) cost estimates are historically very cautious and CBO has indicated they will reexamine this estimated cost savings of this bill when they have more information from the 2006 plan year.

Today's law bars the Secretary from negotiating with drug manufacturers solely because the drug industry insisted on the prohibition.

We need to put the interests of America's seniors and people with disabilities ahead of the pharmaceutical and HMO industry.

This bill has bipartisan support and we should move forward to improve this vitally needed drug program for seniors and people with disabilities.

Mr. DINGELL. Mr. Speaker, I am delighted to yield at this time 2½ minutes to the distinguished chairman of the Government Reform Committee, a member of the Committee on Energy and Commerce, my friend from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, my friend and colleague, Representative DAN BURTON, who just spoke, I think captured the essence of this issue.

The question is whether the U.S. Government can get a better price negotiating with the drug companies using the millions of seniors as leverage or whether individuals can get a better price if they could negotiate on their own or whether drug plans can get a better price if they can negotiate on their own. Medicare and government overall negotiates, and when the Medicare negotiates for physician fees, they negotiate what the fee will be and then they say this is the fee we will pay. That should be the same for the Medicare drug benefit. We can save billions of dollars.

Now, I know that we hear about the drug companies saying this won't work and, in fact, the market is working. Well, the market is not working. There is no market there. But it is not working. People can go to Canada right now and get a lower price for their drugs than they can in the Medicare drug plan as it exists today. People can go to Costco and get a better price. They can search around and get a better price. But when government negotiates, we get the best price. And we have seen it when the government negotiates the prices for the veterans, and we saw it when the government negotiated the prices for the Medicaid population. They used that buying clout and got deep discounts.

The drug companies raise all sorts of scare tactics. They say if we have the government negotiating prices, people will be denied drugs because there will be a formulary. And then the bill prohibits that from happening. Then they

turn around and say, well, to confuse the issue, if there isn't a formulary, there won't be savings. Most of the opposition to this is coming from the drug companies, and whose interests are they looking after? Not the seniors and not the taxpayers.

I urge support for the legislation.

Mr. BARTON of Texas. Mr. Speaker, I want to yield myself 1 minute just to reply to Mr. WAXMAN.

The Congressional Budget Office, as far as I know, is not in the pocket of the drug companies. They say there are going to be no savings to this. The Heritage Foundation, which is admittedly conservative, but I don't think they are in the pocket of the drug companies, says there are going to be no savings. The Veterans Affairs Administration, which is the executive branch part of the Federal Government that is currently operated by President Bush, is opposed to this. They don't think there are going to be any savings. You can go to Wal-Mart right now, whether you are in Medicare or not, and get any number of generic drugs for, I think, a fee of $3 a month. Some of the plans that are out there in the marketplace give generic drugs away. Some of the plans that seniors can choose from have zero premiums. The average premium is $22.

I just think it is flat wrong to think that the Federal Government is going to negotiate a lower price than a competitive marketplace.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL of California. Mr. Speaker, I spent 25 years in the retail car business, so I have done my share of negotiating. There is a golden rule of negotiating to buy something that if you want to get the best price, you have to be willing to say, No, I won't buy it.

So if the government negotiates and says, No, I won't buy it, when they say no, which they will say a lot or have to say a lot to get a good price, then that means that seniors will be denied various drugs, and that is what has happened in the VA.

If they take the other course and decide they are not going to say no, then they are not negotiating; they are price setting. And when they set prices, they will either be too low and people won't get what they need, or they will be too high and we will be wasting money.

Mr. Speaker, this is a solution that won't work to a problem that does not exist.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentlewoman from Illinois (Ms. SCHAKOWSKY) 2 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, it is a delight to see you in the chair.

I rise in strong support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act, to require Medicare negotiation for lower drug prices, and I thank Chairman DINGELL for his leadership.

In 2003 the pharmaceutical industry spent over $100 million to lobby Congress, hiring the equivalent of a lobbyist for every Member to protect their interests in the new drug benefit. And they got what they wanted.

As the New York Times reported this past November: ''For big drug companies, the new Medicare prescription benefit is proving to be a financial windfall, larger than even the most optimistic Wall Street analysts had predicted.''

One of the main reasons for the drug company windfall is the so-called ''noninterference'' clause, the provision written into the law at the behest of the drug companies prohibiting Medicare from using its bargaining power to negotiate for drug discounts.

□ 1100

Just think about it for a minute: Medicare is involved in making sure that prices are reasonable and affordable for every other benefit, from wheelchairs to hospital charges to hospice care. But it is prohibited from doing so for prescription drugs.

Other large purchasers, from the VA to State governments to large employers, use their bargaining clout to get affordable prices. But Medicare is prohibited from doing so on behalf of the 40 million seniors and persons with disabilities and the taxpayers who help pay for benefit.

This week, Families USA released a study showing that part D prices for the top 20 drugs used by seniors are on average 58 percent higher than prices at the VA. Other studies show that some part D drug prices are as much as 10 times the VA prices, and even higher than the prices available at Costco.com or Drugstore.com.

AARP, which operates a part D plan and supported the original bill, wrote to support this bill saying ''plans are not always able to exercise the kind of negotiating leverage that could result from secretarial negotiation.''

In the first 6 months of part D's implementation, drug company profits increased $8 billion. It is time to protect the interests of the American people, not the profits of the drug companies. It is time to pass H.R. 4.

Mr. BARTON of Texas. Mr. Speaker, I would like to yield 1 minute to a distinguished congressman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. Mr. Speaker, I thank the congressman from Texas for yielding.

Mr. Speaker, the Congress wields the power of the purse. It can declare war, it can create new laws, but it has no power to alter the laws of economics. No endeavor in the history of mankind has provided more consumer choice, more innovation and more advances than the invisible hand of market forces.

As the country song says, everybody wants to drink the free bubble-up and eat the rainbow stew, but in the real world, economics determines how we divvy up finite resources.

Under the current prescription drug plan, market forces have worked. Seniors get a choice of the drugs they need while at the same time the cost to taxpayers has come in billions below original estimates. Without doubt, government regulation of prices will limit prices, just as it does under the system used by the Veterans Administration. That is why more than a million veterans have signed up for a Medicare plan.

H.R. 4 is another example of Democrats saying the government can make better decisions for the American people than the American people can for themselves. We offer choice; they offer smoke and mirrors and empty rhetoric.

Mr. Speaker, I ask that my colleagues vote ''no'' on H.R. 4.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Speaker, on behalf of 70,000 eligible Medicare beneficiaries in the 32nd Congressional District of California, I rise to strongly support this legislation to reduce the cost of prescription drugs through negotiated pricing.

As a result of the Medicare Modernization Act, millions of low-income and minority seniors pay higher prices for their prescriptions. A recent report by Families USA revealed that the lowest Medicare part D plan drugs are still 58 percent higher than the lowest prices offered by those with the authority to negotiate, like the Department of Veterans Affairs.

Negotiated pricing is the difference between receiving needed medicine and putting food on the table. This is a reality for one in five Latinos above the age of 65 who live in poverty. Latinos are the fastest growing sector of the senior population. As chair of the Congressional Hispanic Caucus Task Force on Health, I am concerned that without negotiated drug prices, Latino seniors will be unable to afford their medication and continue to suffer needlessly from chronic health diseases.

The overwhelming majority of Americans favor allowing the government to negotiate prescription drug prices for the Medicare program.

Organizations such as the National Council of La Raza, the Nation's largest Hispanic civil rights organization, and the National Hispanic Medical Association, which represents licensed Hispanic physicians in the U.S., support this legislation because they agree it will make a difference in the lives of Latino seniors.

I am proud that today we are considering this legislation that will make a real difference to the health and welfare of all of our seniors.

I hope my colleagues on the other side of the aisle will help to make prescription drugs affordable for all of our constituents for seniors across the country.

I urge my colleagues to support H.R. 4.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the distinguished gentleman from West Texas (Mr. CONAWAY).

Mr. CONAWAY. Mr. Speaker, from the rhetoric we have heard in this House today, it is clear that somebody is going to be negotiating on behalf of Medicare.

For my money, I will trust the private enterprise employee who works for that prescription drug plan who is negotiating with the drug companies to get the lowest price in order to be able to lower premiums to the Medicare beneficiary that is going to be paying those premiums. That system is working. That is one side of the negotiation.

If H.R. 4 passes today, we will substitute for that free market negotiator a career bureaucrat who keeps their job no matter what happens with respect to the price of drugs.

H.R. 4 is a flawed solution to a problem that doesn't exist. I urge my colleagues to vote against it.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to the distinguished gentlewoman from Oregon, a member of the committee, Ms. HOOLEY, 2 minutes.

Ms. HOOLEY. Mr. Speaker, last year I held over a dozen town hall meetings throughout Oregon about the new Medicare prescription drug program. And what I heard is it is overly complex and too expensive. But it doesn't need to be.

Lifting the ban that prevents the Department of Health and Human Services from negotiating lower drug prices on behalf of Medicare beneficiaries is one simple fix that would make medicine a whole lot more reasonable for seniors and taxpayers.

Almost every store in the Nation will offer you savings if you buy in bulk; but the Medicare program, one of the largest purchasers of prescription drugs in the Nation, is currently prevented from negotiating a bulk discount.

What is the cost of this inefficiency? Zocor helps lower cholesterol and is one of the most common drugs prescribed to seniors. At the VA where they can negotiate, you can get a year's supply for $130. Under Medicare, it will cost $1,200, a 900 percent price difference. No reasonable person would pay $23 for a gallon of milk when you can buy it at Safeway for $2.65.

The State of Oregon has bulk purchasing power to negotiate for lower prescription drug prices from pharmaceutical companies for thousands of low-income and uninsured Oregonians. We know the practice works, allowing more people to be covered, enhancing lives and using taxpayer dollars wisely.

In the last Congress, I started a petition that would force the House leadership to consider giving Medicare the ability to negotiate for lower prices because we knew if we could get the issue on the floor, it would pass.

Well, we have a new Congress, a new majority. We will finally overturn that ban on negotiations and defeat the forces that have prevented fiscal responsibility. I ask my colleagues to join me in supporting H.R. 4, commonsense cost-saving legislation.

Mr. BARTON of Texas. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER of Florida. Mr. Speaker, I thank the gentleman for yielding.

As a congressman from Florida, the State with the largest percentage of seniors, I very much want low cost for prescription drugs. The nonpartisan Congressional Budget Office says this proposal will not lower prescription drug costs at all. Seniors are already getting volume discounts through pharmacy benefit managers and private sector competition.

Now the Democrats say: It works at the VA, it will work here. So I looked into that. I happen to take Lipitor for lower cholesterol. It is the number one selling drug in the world. Even Lipitor is not available on the VA formulary. That is because the VA only have a limited number of drugs, and that is why it is cheaper there. It is also why more than 1 million veterans are already getting their drug coverage through Medicare part D.

Mr. Speaker, 80 percent of the seniors in this country are happy with their drug plans under Medicare part D, and 75 percent of the seniors in central Florida have signed up for it and like it. If it ain't broke, why are we fixing it?

Let us give seniors both choices and low prices. Vote ''no'' on H.R. 4.

Mrs. EMERSON. Mr. Speaker, I yield myself 15 seconds to respond.

Number one, I would like to submit for the RECORD the list of the 12 different anti-cholesterol drugs on the VA formulary that exist today.

And second, I would quote from the Institute of Medicine Committee, part of the National Academy of Sciences. They concluded that the ''VA national formulary is not overly restrictive. In some respects it is more; but in many respects, it is less restrictive than other public or private formularies.'' I also will submit that for the RECORD.

CHOLESTEROL LOWERING MEDICATIONS VA CLASS CV350

VISN Generic name Non-formulary	Synonym	Local non-formulary
Atorvastatin Calcium, 10mg tab	Lipitor	
N/F V–N/F		
Atorvastatin Calcium, 20mg tab	Lipitor	
N/F V–N/F		
Atorvastatin Calcium, 40mg tab	Lipitor	
N/F V–N/F		
Atorvastatin Calcium, 80mg tab	Lipitor	
N/F V–N/F		
Cholestyramine, 4gm/5gm (Light)	Questran Light	
	Prevalite	
Cholestyramine, 4gm/5gm (Light)	Questran Light	
Cholestyramine, 4gm/9gm Oral PW	Questran	
Cholestyramine, 4gm/9gm Oral PW	Questran	
Colesevelam HCL, 625mg tab	Welchol	
N/F V–N/F		
Colestipol Granules	Colestid	
Colestipol HCL, 1gm tab	Colestid	
Colestipol HCL, 5gm/PKT GRNL	Colestid	
Ezetimibe, 10mg tab	Zetia	
N/F V–N/F		
Ezetimibe, 10mg/Simvastatin, 10M	Vytorin	N/F
V–N/F		
Ezetimibe, 10mg/Simvastatin, 20M	Vytorin	
N/F V–N/F		

CHOLESTEROL LOWERING MEDICATIONS VA CLASS CV350—Continued

VISN Generic name Non-formulary	Synonym	Local non-formulary
Ezetimibe, 10mg/Simvastatin, 40M	Vytorin	
N/F V–N/F		
Ezetimibe, 10mg/Simvastatin, 80M	Vytorin	
N/F V–N/F		
Fenofibrate, 145mg Tab	Tricor	
N/F V–N/F		
Fenofibrate, 160mg Tab	Tricor	N/F
V–N/F		
Fenofibrate, 48mg Tab	Tricor NFE	
N/F V–N/F		
Fenofibrate, 67mg Cap	Tricor	N/F
V–N/F		
Fluvastatin NA, 20mg Cap	Lescol	
Fluvastatin NA, 40mg Cap	Lescol	
Fluvastatin NA, 80mg SA Tab	Lescol XL	
Gemfibrozil, 600mg Tab	Lopid	
Lovastatin, 10mg Tab	Mevacor	
Lovastatin, 20mg Tab	Mevacor	
Lovastatin, 40mg Tab	Mevacor	
Omega-3-Acid Ethyl Esters 1000	Omacor	N/F
V–N/F		
Pravastatin NA, 10mg Tab	Pravachol	
N/F V–N/F		
Pravastatin NA, 20mg Tab	Pravachol	
N/F V–N/F		
Pravastatin NA, 40mg Tab	Pravachol	
N/F V–N/F		
Pravastatin NA, 80mg Tab	Pravachol	
N/F V–N/F		
Rosuvastatin CA, 10mg Tab	Crestor	
N/F V–N/F		
Rosuvastatin CA, 20mg Tab	Crestor	
N/F V–N/F		
Rosuvastatin CA, 40mg Tab	Crestor	
N/F V–N/F		
Rosuvastatin CA, 5mg Tab	Crestor	
N/F V–N/F		
Simvastatin, 10mg Tab	Zocor	
Simvastatin, 20mg Tab	Zocor	
Simvastatin, 40mg Tab	Zocor	
Simvastatin, 5mg Tab	Zocor	
Simvastatin, 80mg Tab	Zocor	

JANUARY 10, 2007.

OFFICE of The SPEAKER,
House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: the National Community Pharmacists Association (NCPA) represents the owners of more than 24,000 independent pharmacies with over 300,000 employees dispensing some 42 percent of the nation's prescription medicines.

As trusted health care providers, we have always championed affordable medicines for our patients. Our pharmacists are motivated to help our patients find the medication that is most effective for both their health and their pocketbook.

Your efforts to lower prescription drug prices, especially for seniors, are commendable. NCPA endorses these efforts as contained in H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007 introduced by Chairman John Dingell.

The noninterference clause of the Medicare Modernization Act (MMA) has directly disadvantaged independent community pharmacies throughout the implementation of Part D. NCPA has requested intervention from the Center for Medicare and Medicaid Services (CMS) to affect prompt payment of claims, fully clarify rules on misleading advertising practices, and establish guidelines for adequate reimbursements. In each instance, CMS has not taken action, apparently because of the noninterference clause of MMA.

As you are aware, there are other issues with regard to the Part D benefit, Medicaid and the pharmacy marketplace that also must be addressed to ensure community pharmacy can continue to play our critical role in patient care; such as prompt payment of claims, Pharmacy Benefit Manager (PBM) transparency, and the encouragement of the use of more affordable generic medications in the Medicaid program. We look forward to working with you on legislation to address these issues.

Your assistance on the issues critical to community pharmacy will help enhance our

ability to continue to deliver affordable, quality prescription care to our patients. We thank you for your efforts on behalf of independent pharmacists and the patients we serve.

Sincerely,

CHARLES B. SEWELL,
Senior Vice President, Government Affairs.

Mr. DINGELL. Mr. Speaker, I am delighted to yield to Dr. Christensen, the distinguished representative of the Virgin Islands, a leader in health care, 1 minute.

Mrs. CHRISTENSEN. Mr. Speaker, I thank my chairman for yielding.

Mr. Speaker, I rise today in support of H.R. 4 on behalf of the Medicare beneficiaries in the U.S. Virgin Islands and all of the 43 million who need this bill.

We have heard that H.R. 4 would only have a negligible effect on Federal Medicare spending. I doubt that. A recent report by Families USA showed that in several commonly used drugs, the lowest part D cost was still anywhere from 58 to 1,000 percent higher than the negotiated VA cost. That is why 90 percent of AARP members support H.R. 4.

As a physician who took care of many elderly and disabled patients and as chair of the Health Braintrust of the Congressional Black Caucus, I know why we need H.R. 4. By lowering the price of prescription drugs as H.R. 4 will do, we will not only reduce Federal spending but also improve access to medication for millions of Americans with acute and chronic diseases, a disproportionate number of whom are racial and ethnic minorities.

But we must also make sure that all medications including those like Bidil that is proven effective in African Americans are covered.

This is yet another promise made by Democrats and must be another promise kept. I urge my colleagues to vote ''yes'' on H.R. 4.

Mr. BARTON of Texas. Mr. Speaker, I yield 2½ minutes to the distinguish gentleman from Arizona, a former chairman of the Republican Policy Committee and a member of the Energy and Commerce Committee, Mr. SHADEGG.

Mr. SHADEGG. Mr. Speaker, I think this debate comes down simply to: Do you trust bureaucrats, or do you trust the forces of competition which have already delivered a drug benefit under budget?

To me, the answer is simple. But don't take my word for it. Last November, The Washington Post, not exactly a right wing newspaper, indeed one of most liberal newspapers in America, editorialized against precisely what this bill does. The Washington Post, not John Shadegg, said that the drug benefit in the current bill has turned out to be cheaper than projected.

The Washington Post, not John Shadegg, said that most beneficiaries are satisfied with the current program.

My colleagues on the other side of the aisle, Mr. DINGELL and others, over and over and over and over again in this debate have cited the veterans program and said it is much better because they negotiate drug prices.

But The Washington Post, not John Shadegg, said, and I quote, ''that is not a fair comparison.'' The Washington Post says that the Veterans Administration keeps prices down by maintaining a sparse network of pharmacies and a restricted formulary. Indeed, delivering three-fourths of its prescription drugs by mail. That's not John Shadegg; that's The Washington Post.

Indeed, the Post points out that more than one-third of the veterans in America eligible to sign up for the veterans program instead take the Medicare prescription drug program. Why? Because Americans don't want to say goodbye to their local pharmacy, which is what my colleagues on the other side will make them do.

If the program is so much better under the veterans, then why do a third of America's veterans prefer the current Medicare program? The answer for that is, it is a better program.

The Washington Post answers that by saying, in their words, the veterans' programs restricted choice of drugs and restricted list of pharmacies is less attractive.

Let me conclude the way the Post concluded. They said, ''A switch to government purchasing of Medicare drugs would choke off this experiment before it had a chance to play out and would usher in its own problems.'' I urge my colleagues to consider those problems.

They went on to say, ''For the moment, the Democrats would do better to invest their health care energy elsewhere.''

I urge my colleagues who read The Washington Post regularly to follow its advice. This is a bad bill and bad for America's seniors.

Mr. DINGELL. Mr. Speaker, I yield at this time 2 minutes to the distinguished gentleman from New York (Mr. ENGEL).

□ 1115

Mr. ENGEL. I thank my friend, the chairman; and I rise today in strong support of this bill.

We have an opportunity today to right one of the most troublesome provisions of the Medicare Modernization Act, the provision which prohibits the Secretary of HHS from using the bargaining power of 40 million American senior citizens and disabled Americans who are enrolled in the Medicare to negotiate more affordable drug prices.

It is simply common sense. We know that our senior citizens continue to struggle on fixed incomes to be able to purchase their prescription drugs in addition to essential basic living necessities, like food, electricity and rent. We know costs in the Medicare program continue to skyrocket. By negotiating prices, we may be able to achieve record drug savings for seniors while also shoring up the fiscal health of the Medicare program, thereby protecting U.S. taxpayer dollars.

I am troubled by the repeated false assertions on the other side of the aisle that this legislation would mandate price controls and limit seniors' access to drugs. Nothing can be further from the truth.

H.R. 4 continues to prohibit the Secretary of HHS from requiring a particular formulary, and it simply says we should give the government the best shot at trying to negotiate lower drug prices. No price controls. Even Tommy Thompson, who said he considers this bill one of his finest accomplishments, stated that he regretted the clause in the bill prohibiting HHS from negotiating drug prices. As Secretary Thompson notes firsthand, he was able to use HHS to negotiate key savings for Cipro during the anthrax attacks of 2003. So there is room for improvement.

I respect the research and development that the pharmaceutical companies conduct. Frankly, we should not bash the pharmaceutical companies. They do good work. I have a plant in my district that has created and manufactured terrific prescription drugs. I would never support a bill that I believe would stifle innovation at the expense of the American people. But I believe that we can and should promote policies which put more good options on the table. This bill does that, and I urge its passage.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to a distinguished member of the committee who is currently on leave from the committee, the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, I thank the gentleman from Texas, because this is such an important debate for us and for our constituents.

I have about 70,000 Medicare part D beneficiaries in my district, the Seventh District of Tennessee, and they do deserve low-cost prescription drugs, and they deserve the option to choose their plans. The way Medicare part D is constructed, that is what we have, the opportunity to make those choices, to have that control, to actually have a private insurance.

Mr. Speaker, we have had a lot of conversation about the VA and veterans. I would like to point out that comparing Medicare part D and the VA drug program is like comparing apples to oranges, because the VA program is a direct provider of those medical services and part D is an insurance program that is run through private plans, so that our seniors have the options and the ability to choose, to have control over their health care.

About 40 percent of Medicare-eligible veterans enrolled in the VA health care are choosing to benefit from the Medicare drug benefit.

It's critical that we protect what seniors value most—access to quality care in their own community; affordability; and choice of their prescription drug plan and pharmacy.

I urge my colleagues to vote against H.R. 4.

Mr. DINGELL. Mr. Speaker, I am delighted at this time to yield 1½ minutes to our distinguished colleague, the gentleman from Utah (Mr. MATHESON), a member of the committee.

Mr. MATHESON. Mr. Speaker, I thank the chairman.

Mr. Speaker, I rise in support of H.R. 4. I think it is important America's seniors have access to the medicines that they need. Quite frankly, that is why I voted for the Medicare Modernization Act when it passed the House in 2003. I believed then, as I do now, that the Medicare Modernization Act would give patients access to medicines. I also believe that the Medicare Modernization Act has made progress. There are more people who have prescription drug coverage as a result of the legislation.

Today, I support H.R. 4, as I believe it is an additional measure that will likely provide more affordable medicines to those who need them. However, I have some concerns I would like to mention for the record.

While it makes sense for efforts to be made toward negotiating better prices, I would hope the House would not interpret today's support of H.R. 4 as support for government price controls. I have long been a supporter of free and open markets. There is no better marketplace for consumers than one in which competition dictates the going rate for products and consumers are free to choose the products they prefer.

I would encourage my colleagues to support free and open markets and oppose future efforts that would involve the government in actually setting price controls, and I encourage support today for H.R. 4.

Mr. BARTON of Texas. Mr. Speaker, I yield 2 minutes to another distinguished member of the Energy and Commerce Committee, the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Speaker, I rise in strong opposition to H.R. 4, legislation that effectively places the Federal Government in charge of the prescription drug program seniors participate in and jeopardizes seniors' ability to choose the Medicare plan that best fits their needs.

The Medicare Modernization Act wisely provides Medicare prescription drug plans with powerful free market tools that drive deep discounts in prescription drug plans. Seniors deserve low drug prices, and that is what they are getting with Medicare part D.

American taxpayers are also benefiting under Medicare part D. In fact, since 2003, taxpayers have saved $96 billion through competition among health plans. We are already seeing competition drive down prices and provide lower costs to Medicare beneficiaries. Competition is the reason why. Premiums have dropped from $37 to $22 per month, and the average monthly bill seniors spend on prescription drugs has fallen 54 percent, saving seniors an average of $1,200 a year. Ninety percent of all Medicare beneficiaries and more than 90 percent of seniors in Oklahoma are seeing real discounts on their prescription drugs.

If the government is allowed to set costs and control prices with Medicare part D, it will limit access to drugs, and seniors may lose the right to choose plans. This problem already exists in the Veterans Administration. A quarter of our Nation's veterans who receive VA health care benefits are also enrolled in Medicare part D.

This bill shows a clear difference between Democrats and Republicans. We want free market choice for our seniors instead of one-size-fits-all bureaucratic programs that will deny seniors the opportunity to choose drug plans that serve them best.

Let's not jeopardize a good benefit that 80 percent of our seniors are satisfied with and is providing real savings to taxpayers and seniors alike. I urge a ''no'' vote on this measure.

Mr. DINGELL. Mr. Speaker, at this time I reserve the balance of my time on behalf of the Energy and Commerce Committee.

Mr. BARTON of Texas. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I thank the chairman.

Mr. Speaker, I rise in strong opposition to H.R. 4. It is unbelievable, in fact, that the Democrats would bring this bill to the floor. They were not part of the solution when we passed the prescription drug act, that they failed to pass for 25 years. I can understand them wanting to get on to a rising stock, but, Mr. Speaker, I will tell you this: they are betting on the last 10 percent.

Hanging this albatross around Medicare part D that has been so successful is going to drag it to the bottom, and it is going to hurt our seniors. It is going to hurt my mom. Seniors are saving an average of $1,100 per month because of competition in the marketplace.

You know, Mr. Speaker, this week, the Democratic majority has trampled on the rights of the minority with these four bills, allowing us no opportunity for amendment. But, do you know what? I think on this particular bill, they have done us a favor. The way they have done us a favor is they have not allowed us to bring forth an amendment, trying to put lipstick on this legislative pig, and that is a favor to us. That is a political win for the Republican Party, but unfortunately, Mr. Speaker, it is a loss for our seniors.

We need to kill this sucker dead.

Mr. Speaker, I rise today in strong opposition to H.R. 4, the Medicare Prescription Drug Price Negotiation Act. Last year, the new prescription drug plan, Medicare Part D, was implemented and seniors in our country had access to drug coverage for the first time.

In its first year, the Part D program enjoyed lowered than expected cost, high enrollment numbers and an overwhelming vote of satisfaction from America's seniors. To me, Mr. Speaker, that is the definition of success.

Let me underscore the specific statistics that back up these statements, because in the course of the debate proponents of this government price control bill have misconstrued and misrepresented the realities of the Part D program.

First of all, in 2006 Part D cost $26 billion less than expected and over the next 10 years it is projected to cost 21 percent less than earlier forecasts. Mr. Speaker that represents a savings of over $200 billion to the American taxpayer—a savings Mr. Speaker, in a government program! Which leads to another important aspect of the Part D program, competition.

When Congress created this new prescription drug benefit, it was designed to use the power of competition to deliver low prices to America's seniors. For instance, Medicare beneficiaries were expected to pay an average monthly premium of $37. However in 2006, because of the fierce competition among plan providers to provide this benefit to our seniors, the average monthly premium shrunk to $24.

Seniors are overwhelmingly satisfied with their Part D plan. In a Kaiser Family Foundation survey, 81 percent of enrolled seniors are satisfied with their Medicare drug plan and only 4 percent are dissatisfied. In fact, a recent J.D. Power and Associates survey found seniors are more satisfied with their Medicare drug plan than with their auto insurance, home mortgage and cable service.

So, Mr. Speaker, that leads us to a very obvious question. Why are we debating a major change to this successful and popular program? The answer is quite obvious, but extremely disappointing. It is politics.

My colleagues on the other side of the aisle spent a lot of time over the past few years throwing bricks at the ''Republican Part D Plan.'' And they didn't stop last year when the surveys and statistics were pouring in at how much this program was saving our seniors. And, Mr. Speaker, when it became obvious that the program was both successful and popular, the Democrats started touting the sound bite that Medicare needed the power of government negotiations to deliver even more savings to seniors. It seemed they wanted to capitalize on the very popularity they were undermining just a few months earlier.

Unfortunately, for my colleagues on the other side of the aisle, that political rhetoric has proven difficult to turn into sound policy. The reason is very simple. The Part D program is successful because the government has remained out of the negotiation process and private companies have fought hard to earn the right to service America's seniors.

Mr. Speaker, the Congressional Budget Office affirmed this in a letter to Senator Frist in 2004, and again this week to Chairman RANGEL. CBO states and I quote, ''We estimate that striking. that provision (the non-interference provision) would have a negligible effect on federal spending because CBO estimates that substantial savings will be obtained by the private plans and that the Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree.''

If my Democratic friends are only using this debate to score a few cheap political points, they should be ashamed of themselves, considering the only people that will pay for this maneuver are our struggling seniors.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. WILSON).

Mr. WILSON of South Carolina. Mr. Speaker, when a government program is not working, we have an obligation to fix it. This is not the case, however, with the Medicare prescription part D. In fact, part D is working well.

Just yesterday, the Medicare Prescription Education Network released a study showing that 80 percent of seniors enrolled in Medicare part D are satisfied with their coverage, and an 80 percent satisfaction rate is unprecedented for such an important and positive program. I am particularly pleased that a Blue Cross/Blue Shield call center assisting recipients with part D enrollment has been operating in the district I represent.

Moreover, government involvement would likely limit access to medications and restrict the development of new treatments. As USA Today recently editorialized: ''The public would be best served if the new Congress conducts an in-depth oversight to gather facts, rather than rushing through legislation within 100 hours to fix something that isn't necessarily broken.''

I urge my colleagues to protect part D and vote against H.R. 4.

Mr. BARTON of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan (Mr. CAMP) be allowed to control the minority time for the Ways and Means Committee, which I believe is 40 minutes.

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

There was no objection.

Mr. CAMP of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 4. It is a flawed piece of legislation. If there was ever a bill that should have gone through regular order in the committee process, it is this one, because we find as we look at it more carefully that there is much more to it than might appear at first glance.

First and foremost, we should recognize that Medicare part D is working. Ninety percent of seniors are covered. Thirty-eight million seniors now have prescription drug coverage.

Additionally, due to private competition, the cost of this program is continuing to fall. Estimates from the Center for Medicare and Medicaid Services have predicted that this program will cost $373 billion less over the next 10 years than was expected in 2005. Seniors are saving an average of $1,200 dollars a year because of those declines.

Market-driven reforms in the 2003 Medicare Modernization Act are working to provide more choices and lower prices.

□ 1130

Rather than establishing a one-size-fits-all government benefits package, the part D program allows beneficiaries to choose from a range of plans that meet their unique needs and circumstances.

It is also important to note that the current private sector negotiating power of part D is greater than a government-run Medicare program. We have heard much from the other side about a government-run program having a bargaining power, but in fact, the four top pharmacy benefit managers cover over 200 million individuals. So they not only negotiate on behalf of the seniors in part D but also on behalf of all the other beneficiaries in their programs throughout the United States, including most Members of Congress in the Federal Employees Health Benefit Plan. So this is over 10 times the number of Medicare beneficiaries than the Secretary would negotiate on behalf of.

Despite these facts, Democrats are continuing to push a bill that could significantly disrupt and dismantle the successful and popular Medicare prescription drug program. They want to remove private competition forces from this successful equation and, instead, have the Secretary of Health and Human Services interfere in and implement a price control system.

Medicare part D is successful because seniors are able to choose plans that cover their drugs and best meet their health needs. Government bureaucrats, instead, would be replaced and would choose what drugs seniors would get, and these bureaucrats would be allowed to set prices for Medicare covered drugs.

The government should not be responsible for making decisions that should be left to seniors. Currently, seniors are able to choose plans. I think we should continue to allow seniors to make their own choices and keep bureaucrats out of seniors' medicine cabinets. The Medicare prescription drug program is working, and we would be wise to resist the Democrats' plan to fix what is not broken.

We can continue to improve prescription drug programs, but we must closely examine these changes so Congress does not do more harm than good by enacting new policies. I encourage my colleagues to vote ''no'' on this bill.

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

Mr. RANGEL. Mr. Speaker, I would like to say that I wish that we had had more time to have gone into the details of this proposal, but I want to point out that we have an opportunity to allow the administration to decide how we can best reduce the price of drugs for all people and to give him the discretion to use every tool that we have in the Congress. Now, some people on the other side have indicated that this is price control and the free marketplace should work its will. It appears to me that common sense and judgment would say that the Secretary should have every available tool that he or she thinks is necessary in order to reach this common goal that we want to reach.

Just saying that the power to negotiate prices, which you have to admit sounds like it makes good sense, would be restricted and prohibited by the person responsible for reaching the goal of lower prices makes no sense at all. If indeed some of the objections that have been raised by those who don't have the responsibility that the Secretary has, if they truly believe this is an impediment to reach that goal, then I think that all of us in the Congress have the responsibility to change the law and to do whatever is necessary in order to reach that goal.

To say that someone is prohibited from participating in the reduction of that price, the price of the drugs when they can buy in quantity defies common sense and reason. This is especially so since we would like to assume that the pharmaceutical industry would be partners with us in getting the maximum amount of medicine necessary to those who need it. And even if we had no knowledge of the facts at all as to what works and doesn't work, the protest that is coming from the pharmaceutical industry should indicate that there is something wrong with the system if they do not trust the Federal Government to negotiate fairly.

So for all of those reasons, I hope that those who have a problem with the bill would recognize that this is just the beginning of a process to improve upon what we already have and that if there are any problems, that we will be coming back to the committee to try to make those adjustments that would be necessary.

Mr. Speaker, I would like to ask unanimous consent to yield the balance of my time for purposes of controlling the time on this bill to Mr. STARK, who is the chairman of the Subcommittee on Health and who spent a tremendous amount of time on this.

And, believe me, there is no politics involved in it. We all want to achieve a common goal, and I think this just removes the restriction on the Secretary so that together we can be of assistance.

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

There was no objection.

Mr. CAMP of Michigan. Mr. Speaker, I yield for purposes of controlling time to the ranking member of the full Ways and Means Committee, the distinguished gentleman from Louisiana (Mr. MCCRERY).

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Louisiana.

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

I want to begin my remarks by saying that we are hearing today a lot of claims from colleagues on the other side of this issue. They quote various

studies that they say prove this will help reduce prices to seniors and help reduce costs to the government. And as everybody in Washington knows, you can generally find a study to say just about whatever you want it to say. But if you listen carefully, you will notice that no one today, and no one will later today, dispute one fact: The nonpartisan official budget scorekeeper for Congress, the analysts that Congress is required by law to follow, the Congressional Budget Office, says that this bill before us will not save one dime. The bill will not save seniors money; it will not save taxpayers money; and it will not save the government money.

Now, in case you are thinking, oh, yeah, yeah, but that is old news. That is the old Congressional Budget Office when Republicans controlled it. Well, that is what the old Congressional Budget Office said when Republicans controlled it. But, guess what? In a letter dated just a couple of days ago from the new Congressional Budget Office that Democrats control, it says the same thing exactly.

Now, why won't this bill save any money? Simply because the private sector is doing an excellent job already negotiating lower prices for our seniors. And without tools that some have said today they do not want the Secretary to have, and even the language of the bill states the Secretary shall not provide formularies for part D, but without those tools, the CBO says, you can't save any money.

So you can't have it both ways. You can't say, oh, we want lower drug prices for seniors; but then at the same time say, yeah, but we don't want those formularies. We don't want to restrict access to any drugs, like Lipitor, which is not on the VA formulary.

The Secretary of Health and Human Services cannot do a better job of negotiating than the private sector is already doing. The Secretary says so. CMS says so, and CBO says so. The only way the Secretary will be able to further reduce it is by weakening the drug benefit by restricting access.

So why is the Democratic leadership trying to rush this major legislation through the House without a single congressional hearing, without input from the committees of jurisdiction? I fear this is an example of bumper sticker politics. I am afraid they are looking for a good sound bite, not good policy.

While H.R. 4 won't produce savings, it certainly has the potential to disrupt or even destroy one of the most popular programs in our history. Today, roughly 90 percent of America's seniors and people with disabilities have prescription drug coverage. Four out of every five seniors enrolled in a Medicare drug plan say they are satisfied with the new drug coverage and would recommend it to their friends.

Medicare drug plans are negotiating significantly lower prices for our seniors. The average senior last year saved $1,200. Initial estimates indicate that Medicare prescription drug plans saved seniors last year a total of about $30 billion. Competition has resulted in a program that is expected to cost $373 billion less over the next 10 years than was projected just 1½ years ago.

Clearly, the current drug benefit, which allows for competition rather than government price controls, is working. H.R. 4 could bring this success to a screeching halt. If the Secretary of HHS is forced to find the savings suggested by the proponents of this poorly drafted legislation, it seems certain that some seniors will lose access to the prescription drugs they need.

Currently, Medicare beneficiaries enrolled in a drug plan have access to drugs to treat cancer, mental illness, HIV/AIDS, Lou Gehrig's disease and Alzheimer's, to name a few. They are guaranteed that. H.R. 4 does not guarantee that.

Here is what patient groups have to say about the bill that is before us today. The association representing patients afflicted with Lou Gehrig's disease says, ''This shortsighted and inappropriately cost-driven bill will have particularly cruel consequences for people with ALS. If Congress makes this change, they will undo what the Medicare Modernization Act sought to ensure: access to needed prescription drugs.'' The National Alliance on Mental Illness says much the same thing; the Kidney Cancer Association much the same thing.

The Republican motion to recommit, which we will soon offer, ensures that access to these important drugs continues.

H.R. 4 will also hurt our community pharmacies, denying seniors access to those local pharmacists that they depend on. Seniors like to go to the drugstore to talk to their pharmacists to get advice. If, to hear some of the proponents, we go to something like the VA, for example, they won't have that opportunity because the VA is a closed system, and 80 percent of drugs delivered under the VA are delivered by mail order, not local pharmacies.

Now, let us talk about veterans for just a minute. The American Legion, representing our veterans, says H.R. 4 is ''not in the best interest of America's veterans and their families. The American Legion, which represents nearly 3 million members, strongly urges Congress to seriously consider the collateral damage that would result from H.R. 4 because 'each time the Federal Government has enacted pharmaceutical price control legislation, the VA has experienced significant increases in its pharmaceutical costs.' ''

H.R. 4 will not save money. It is opposed by groups representing victims of disease and opposed by our veterans. H.R. 4 will likely restrict seniors' access to the drugs they need and to the pharmacies they depend upon. H.R. 4 will certainly disrupt a popular program that, despite being just 1 year old, has done a remarkable job.

That is why we all ought to vote against H.R. 4, but first, vote for the Republican motion to recommit.

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

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

I will be submitting for the RECORD an editorial from today's New York Times which concludes by suggesting that the bill, H.R. 4, does not require the Secretary to negotiate prices for all 4,400 drugs used. A smart Secretary could simply determine which prices paid by the plan seem most out of line with prices paid by other purchasers and then negotiate only on those drugs. The private plans are exclusively allowed to negotiate even lower prices, if they can. This sort of flexibility would pose no threat to the free market.

□ 1145

It is time for the Medicare drug program to work harder for its beneficiaries, without worrying so much about the pharmaceutical companies.

Then, I would also like to respond to what I am sure was not, by one of the previous speakers, an intentional fabrication or misstatement, just probably a remark due to the inability to read a bill and understand what it means. And it is quite correct that in 2000 our motion to recommit had some wording that limited interference by the Secretary. But it is also important to note that it was a completely different bill; and as such, the motion to recommit had no relationship to this bill. And to suggest otherwise is an outright lie. And I will let it stand with that. If anybody would like to see the previous bill, we have information that will cover it.

I rise in support of H.R. 4. It is a simple, straightforward bill that should pass by unanimous consent if the Members of Congress want to help senior citizens, rather than the special pharmaceutical interests.

The bill rights a wrong included in the prescription drug act passed in 2003. And it takes away the special interest protection that prohibits the Secretary from negotiating to get better prices for Medicare beneficiaries.

The present law includes a flat out prohibition against using the negotiating ability and clout of 43 million Medicare beneficiaries to get better prices. That is wrong. We don't prohibit the government from negotiating prices for airplanes, even for oil royalties in the gulf, for highway construction or for anything else the government purchases.

Our bill today eliminates that prohibition and goes one step further. It requires the Secretary to use the market strength of Medicare's 43 million beneficiaries to negotiate better prices for seniors and people with disabilities. We had to go further than simply eliminating the prohibition because the current administration has been so vocal in their opposition to using this tool,

even if given the authority. Indeed, they have threatened to veto.

Countless studies show that Medicare beneficiaries are not getting very good deals on their prescription drug prices. The Bush administration has shown their ability to negotiate discounts on other drugs. Secretary Thompson did this twice, once when we had the anthrax attacks and then again when we faced the flu vaccine shortage.

This change shouldn't be controversial at all. It is a change that is supported by over 90 percent of the American public, and it is a change that should lower taxpayers' and seniors' expenses. It is a change supported by advocates for Medicare beneficiaries, the physicians who care for them, and the community pharmacists who fill their prescriptions.

It is a change that is even supported by AARP, which I continue to contend wrongly endorsed the Republican bill in the first place. But even they agree that the government should be empowered to negotiate better drug prices.

The only interests standing up against that legislation are the same interests who got the prohibition on negotiation included in the first place, the pharmaceutical drug lobby and those whose campaigns they funded.

Those days are over. Congress is no longer about special interests. It is about the interests of the American people, and that is why we brought this bill up as part of the first 100-hour agenda. We urge the President to reconsider his opposition to it, and to work with us to get Medicare beneficiaries a better deal on their prescription drug prices, and to get a better deal for the American taxpayers.

It is an important first step in our goal to improve the Medicare prescription drug program for seniors and people with disabilities. I look forward to working with my colleagues and with the administration to improve the Medicare program.

[From the New York Times, Jan. 12, 2007]

NEGOTIATING LOWER DRUG PRICES

From all the ruckus raised by the administration and its patrons in the pharmaceutical industry, you would think that Congressional Democrats were out to destroy the free market system when they call for the government to negotiate the prices of prescription drugs for Medicare beneficiaries. Yet a bill scheduled for a vote in the House of Representatives today is sufficiently flexible to allow older Americans to benefit from the best efforts of both the government and the private rug plans.

The secretary of health and human services should be able to exert his bargaining power with drug companies in those cases in which the private plans have failed to rein in unduly high prices—leaving the rest to the drug plans. The result could be lower costs for consumers and savings for the taxpayers who support Medicare.

Under current law, written to appease the pharmaceutical industry, the government is explicitly forbidden from using its huge purchasing power to negotiate lower drug prices for Medicare beneficiaries. That job is left to the private health plans that provide drug coverage under Medicare and compete for customers in part on the basis of cost. The Democrats' bill would end the prohibition and require—not just authorize—the secretary of health and human services to negotiate prices with the manufacturers. That language is important since the current secretary, Michael Leavitt, has said he does not want the power to negotiate.

No data is publicly available to indicate what prices the private health plans actually pay the manufacturers. But judging from what they charge their beneficiaries, it looks like they pay significantly more for many drugs than do the Department of Veterans Affairs—which by law gets big discounts—the Medicaid programs for the poor, or foreign countries. The administration argues, correctly, that the private plans have held costs down and that there is no guarantee the government will do any better. The bill, for example, prohibits the secretary from limiting which drugs are covered by Medicare, thus depriving him of a tool used by private plans and the V.A. to win big discounts from companies eager to get their drugs on the list. The secretary does have the bully pulpit, which he can use to try to bring down the cost of overpriced drugs.

The bill also does not require the secretary to negotiate prices for all 4,400 drugs used by beneficiaries. A smart secretary could simply determine which prices paid by the plans seemed most out of line with the prices paid by other purchasers and then negotiate only on those drugs. The private plans are explicitly allowed to negotiate even lower prices if they can. This sort of flexibility should pose no threat to the free market. It is time for the Medicare drug program to work harder for its beneficiaries without worrying so much about the pharmaceutical companies.

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

Mr. MCCRERY. Mr. Speaker, before I yield to my colleague from Missouri, I just want to challenge anybody on the other side of this issue today, anybody that is in support of H.R. 4, to explain to this House how the Secretary, using the authority under the bill before us, is going to get prices lower. What are the tools that he is going to have to negotiate if he doesn't have the power to assure pharmaceutical manufacturers market share in the program, if he can't use formularies to do the negotiating? I don't think they can do that.

Mr. Speaker, at this time I would yield 4 minutes to my colleague from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I rise today in opposition to H.R. 4, but more than that, in support of prescription drug access that works for seniors. This has been a long, hard fight in this Congress to get this program to where it is today, and it is working for seniors. They think it is working for them, and I think it is working for them.

The cornerstone of the Medicare prescription drug program is choice and satisfaction driven by competition. Competition is a good thing. And once again, today we are talking about whether or not we have competition in this system.

Instead of a one-size-fits-all model, the prescription drug benefit provides choices for seniors so they can find the best plan for them. This competitive model works, and it is doing exactly what Congress intended: it is driving costs down and providing more options for seniors.

The current system, as my friend from Louisiana has already said, the current system costs less than was anticipated, has more options for seniors than was expected, and has a tremendous level of user approval.

With the competitive Medicare drug program, individual drug plans can decide not to sign a contract with a drug company if they can't reach a price that they can agree on. Then seniors analyzed what all of these competitors out there were able to do. They take the drugs they take to the plans available and find out which company was able to negotiate the best deal, not for all drugs, but for their drugs. That is why this plan has worked in a way that surprised so many people, including the seniors that now benefit from this plan.

What are we really talking about today? Our friends on the other side seem to think that we need government to negotiate prices for seniors. Well, what does that really mean?

When the government negotiates for you, it means you are cut out of the decision-making process. Government is almost never the best negotiator and wouldn't be the best negotiator here.

Some of my colleagues claim that the change they are proposing today is merely minor. But I believe the change we are debating today is the major debate about the future of health care in the coming decades. Do we believe that government should make the decisions about your health care? Or do we believe that these decisions are so fundamentally personal that they can only best be made by the individual? Are Americans better served by a competitive model or by a government mandate that has less access and more cost?

Opponents of adding prescription drugs to Medicare and the way we did it last January have never believed that competitive options for seniors were the way to go. They have said so many times. That is the reason that I think they are so determined today to take away these choices that seniors have.

When the government negotiates prices, it fixes prices. This means a government bureaucrat will be empowered to determine what kind of drugs our seniors will have access to. If the government couldn't reach a deal with the drug company, seniors wouldn't have access to those drugs. That is what happens in the VA system that we are talking about.

Actually, today, we ought to be talking about how we can provide more choices for veterans instead of fewer choices for other seniors. It is Economics 101. And if seniors only cared about price, the lowest plan available would be the plan all seniors were choosing. They are not choosing that plan. They are choosing the best plan for them.

H.R. 4 will open the door to price fixing and health care rationing by the government. It is as simple as that.

During the campaign, Democrats argued that this bill is needed to protect our seniors. But if any senior can point to anywhere in this bill where it points out that all the drugs available to seniors today would be available in the future, I would suggest not only is it not there, but one negotiator couldn't make that deal.

I urge my colleagues to reject this change, to reject rationing, to keep choice out there for seniors, and to believe in competition.

Mr. STARK. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from Connecticut (Mr. LARSON) who, like the National Committee to Preserve Social Security and Medicare, knows that H.R. 4 would be an important step to improve part D.

Mr. LARSON of Connecticut. Mr. Speaker, I rise in strong support of this legislation. Look, as we all know, as the cliche goes, the road to hell is paved with good intentions. And while our colleagues on the other side are heralding the program that they produced, through what I believe to be their good intentions, they are terribly misguided.

But it does draw strong philosophical differences between the two parties and our approach. Yes, you would like to privatize Social Security. Yes, you would like to privatize Medicare. And this bill, essentially, is the privatization of Medicare masquerading as prescription drug relief and forbids explicitly the Secretary of Health and Human Services from negotiating directly for lower price while the VA commissioner does.

But then you say you introduce competition. Wow. Everybody is for competition. So how do all these plans, why were they enticed into it? The government pays and incentivizes the private sector to get involved in this? That is interesting competition. They incentivize the private sector to compete against the government program. They fund them the money.

Oh, and by the way, there is no penalty and no risk if they pull out. The only penalty and risk are on the elderlies' backs, because they can cancel the formulary, they can pull out with no risk and no penalty. It is only the people that fall into the doughnut hole and only the people that have to pay the extra prices that understand why it is so important that government step up and level the playing field for its citizens.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the distinguished Member from California, a member of the Ways and Means Committee (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in strong opposition to H.R. 4. The fundamental question in today's debate is what produces better results, the free market or the Federal Government? Medicare part D was founded on a belief that free markets get results. It is a system in which private companies compete with each other to meet the needs of our senior citizens. These private companies negotiate with drug manufacturers to get lower prices, and the results have been impressive.

When the Congress created part D, we expected the average premium to be around $35 a month. Yet, thanks to the power of competition, Medicare beneficiaries actually paid an average of $24 per month, and that number is going down to $22 in 2007.

Mr. Speaker, I hope we can stop and think about what that means. In every other area of health care, costs are rising far faster than inflation. Where else have we seen an actual decrease in health care cost?

At the same time, we can also see the results of a system in which the government imposes price controls or as today's legislation basically proposes.

□ 1200

In Canada, a government-run health care system has resulted in long waiting lists for medical care and a massive exodus of talented physicians. In our own country, our brief experiment with price controls in the 1970s ended with disastrous gasoline shortages.

Mr. Speaker, I hope this Congress will consider the results and vote for the system that gets proven results.

I urge my colleagues to soundly reject this legislation.

Mr. STARK. Mr. Speaker, I am pleased to yield 1½ minutes to the distinguished gentleman from California, who agrees with AARP that the Secretary can achieve additional savings for beneficiaries under H.R. 4.

Mr. THOMPSON of California. Mr. Speaker, I rise today in support of H.R. 4, and I am not here to claim that it will instantly bring seniors huge discounts on their drugs, but this legislation is an important first step, because it gives the Secretary one more tool to maximize savings for seniors and value for taxpayers.

It is important for another reason, lowering drug prices means that it will take seniors longer to hit the coverage gap, the donut hole, the period during which time they have to pay 100 percent of their drug costs.

Less than 25 percent of the drug plans in my district offer any sort of coverage during this donut hole period, and most of them have premiums of upwards of $100 a month. A lot of northern California seniors can't afford that. When they hit the coverage gap, they foot the entire bill, or they go without their medicine.

Allowing the Secretary to negotiate prices will complement, not replace, the negotiations being conducted by the private plans. It is one more tool that can be used to lower costs and prolong the amount of time it takes before seniors hit their donut hole.

This legislation does not create price controls, which I oppose, and it explicitly prevents the Secretary from setting a national formulary. Our Medicare program offers seniors choice and allows seniors access to the medicines that they need. This legislation will maintain that choice and access, and it is a good first step to bring about lower prices.

I support H.R. 4, and I encourage all of my colleagues to do the same.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to another distinguished member of the Ways and Means Committee, the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to voice my opposition for H.R. 4 and to encourage my colleagues to vote against this bill.

Ronald Reagan once said the nine most terrifying words in the English language are, I am from the government, and I am here to help you. Our seniors should say, thanks, but no thanks.

H.R. 4 is certainly a solution in search of a problem. The Medicare drug benefit is a quantitative success. Millions of seniors now have prescription drug coverage through Medicare part D and over 86,000 beneficiaries in my district alone are saving money while enjoying greater access to the prescription drugs they need.

Competition has reduced monthly premiums and empowered seniors to make their own choices about drug plans. On average, seniors saved $1,200 off the cost of their prescription drugs last year. In fact, 80 percent of recipients nationwide report high satisfaction with the new program.

Actuaries for the Congressional Budget Office, the ultimate scorekeeper in Congressional spending, as well as the Centers for Medicare and Medicaid Services, both predict that H.R. 4 will produce no savings. At the same time, strong competition has lowered drug plans, the bids, by 10 percent, for 2007. Overall, analysts estimate that part D will cost $373 billion less over the next 10 years than initially expected.

Mr. Speaker, if passed, this bill would allow the Federal Government to get into the medicine cabinets of millions of Medicare beneficiaries across the country. Part D is working. The changes proposed in this bill would create tremendous uncertainty among seniors who are benefitting from this successful program. This bill is nothing but a veiled attempt at national health care that could end up driving up costs, reducing seniors' access to much-needed prescription drugs and serving as a downfall of community pharmacies.

I urge my colleagues to vote ''no'' on this bill.

Mr. STARK. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from Washington (Mr. MCDERMOTT), who agrees with AIDS Action that an effort to ensure the Secretary of Health and Human Services has authority to negotiate drug prices is important to the continuing success of part D.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, as I listen to my colleagues on the other

side today, it seems like I am back in medical school in 1963 when the American Medical Association president told us, if we get that Medicare, that will be the end of health care in this country; there is no way we will have any kind of good health care in this country.

Well, the fact is we would never have had it if we waited for you to do it. During the 12 years you were in control, you proposed not one single way to deal with the 46 million Americans who have no health insurance.

Now with respect to senior citizens, they are isolated in a blizzard of confusing programs and options which cost more than a 250 percent difference in the same zip code. I live in 98119. You can spent 250 percent different depending on which program.

People don't know that. My mother is 97, and you expect them to pick this up. They ought to get a lower cost, and we are going to get it for them by getting the Secretary to negotiate them, as he should. That creates a huge national pool that the companies cannot ignore, and they are going to have to work toward the common good.

Now, it is time we worked for the common good in here, not for the pharmaceutical industry or the insurance industry or anybody else but the seniors who have to deal with the prices of their drugs. That is what they are asking for us. It is the same proposal we have used in the VA.

You would think we would be doing that to the veterans if it was bad? Come on. This is good for the veterans, it is good for the seniors, and it is finally working toward the common good in this House.

Mr. MCCRERY. Mr. Speaker, I yield 3 minutes to another distinguished Member of the Ways and Means committee, the gentleman from Missouri (Mr. HULSHOF).

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. I appreciate the gentleman yielding.

Mr. Speaker, my colleague from the State of Washington mentioned medical school. Let me recount an old axiom that with learned in law school. We were told: If the facts are against you, argue the law. If the law is against you, argue the facts. If the facts and the law are against you, pound the podium.

Ladies and gentlemen, there has been a lot of podium pounding on the other side of the aisle today. The question is this, shall the government interfere with or intervene in a prescription drug plan that is working?

Now, the majority seeks through H.R. 4 to strike this nonintervention clause. First of all, is anyone having a flashback to 1993 and 1994 talking about government taking over health care?

But, more importantly, my colleague from the State of California, the incoming chairman of the Health Subcommittee, and 203 of his colleagues are about to do an abrupt, en masse, about face. Because in the CONGRESSIONAL RECORD of June 28 of 2000, you had this nonintervention clause, and 204 Democrats said, we don't want to give the Secretary the ability to negotiate in roll call 356.

Now, what could possibly explain this inconsistency? Could politics be at play?

The gentleman from Washington talked about some history. Let us go back over the committee history, because my colleagues from Ways and Means are here.

First of all, during committee action we were chided there would be no plans available under the Republican plan.

Then, of course, when we saw the plethora of plans, we heard the complaints from your side, there are too many confusing choices that seniors have across the country. Then you wagged your finger at us and said, well, we need to legislate the premium at $35, and then the total cost of the program is going to explode the deficit. Remember hearing that?

Yet, on the other hand, as has been discussed, the average premium is $22. In the State of Missouri, you could even have a premium for under $15 if you choose it. Of course, we have seen how those program costs have come down.

We heard from your side that the drug companies were going to do a bait-and-switch, that we were going to have low ball that first year and then we would see those prices being jacked up. Lord help us, what's happened? Drug prices have gone down. Imagine premiums and prices coming down in health care.

Then my colleague from the State of California said to his colleagues, it is okay, once the seniors hit the donut hole, they will be angry, and they will be outraged. Then we have seen, of course, that every senior at least has had the opportunity to have full coverage, including coverage for the donut hole. You just can't find it within yourself to say we got one right.

Just like welfare reform, surely, Mr. Leader, once every 10 years, you can say the Republicans got it right. We are witnessing cost containment and competition by incorporating private sector market principles within the public sector programs provision of drug coverage. Let us lighten up on the podium pounding, say no to government interference and no to H.R. 4.

Mr. Speaker, I rise in opposition to H.R. 4, and I would like to divide my remarks into two main thoughts: first, "if it ain't broke, don't fix it," and second, the laws of intended and unintended consequences.

Mr. Speaker, the Medicare Part D Benefit ain't broke.

But Medicare was broken before there was a drug benefit. When I came to Congress, one of the issues I heard about most often from my constituents was the need for prescription drug coverage for seniors. In 1965, when Medicare was created to ensure that seniors had some access to health care, prescription drugs were not a primary mode of treatment, and thus not covered.

But as medical science advanced, and miraculous treatments became available via prescription drugs, Medicare still languished without a drug benefit, and many seniors were faced with the brutal decision between buying their medicine or paying for food, clothes, housing, and other necessities.

Seniors do not have to make that brutal decision anymore.

Under the law, millions of seniors who previously could not afford prescription drugs are now receiving the medicines they need.

More than 40,000 volunteers in communities across the country worked during the enrollment period, counseling beneficiaries and sponsoring events to help people with Medicare. I would like to commend these volunteers, volunteers like Debbie Catlett from the Hannibal Nutrition Center, who lovingly helped her friends and neighbors sign up for drug coverage.

The system the Republican Congress set-up has been remarkably successful: The average premium in 2006, originally projected to be $37 per month, was only $23; and rather than increasing to the projected $40 per month in 2007 it lowered to $22 for this year. In Missouri, we have even less expensive options available, the lowest costing only $14.90 per month. Imagine that, health care premiums going down!

Seniors are saving, on average, $1,200 a year on prescription drugs. At the same time, Part D recipients saw a 13 percent increase in the number of medications available. According to polls, about 80 percent of America's seniors are satisfied with their prescription drug plans.

All that is on the micro level, what individual seniors are enjoying and saving; but let's look at the macro level. Over 90 percent of seniors now have drug coverage—if these seniors are paying less, the government must be paying more to pick up the slack, right?

Wrong.

The Medicare drug benefit cost nearly $13 billion less than expected in its first year, 30 percent below the $43 billion that had been budgeted.

Long-term savings are even greater. HHS Secretary Leavitt just announced that the independent CMS actuaries are lowering their estimate of the cost of the benefit over the next decade by another 10 percent, with almost all of the new savings resulting from competition. The actuaries' new estimates show that total net Medicare costs are 30 percent lower, or $189 billion less, for the same budget window (2004–2013) than the actuaries originally anticipated before the Medicare drug benefit was implemented.

The long and the short of it is, Medicare Part D is a big, fat success.

Look, the majority is upset that the Republican Congress enacted a successful, popular program, and the "let Medicare negotiate low prices like the VA" polled well for them (I've seen the polling numbers). But a bumper sticker phrase aimed at coopting that success isn't good policy.

I've discussed how the program isn't broken and doesn't need fixing, now onto the intended and unintended consequences of this bumper sticker bill.

Best case scenario if this Democrat attention grabber of a bill becomes law is that

Medicare proves unable to negotiate lower prices than the marketplace currently does—and two non-partisan entities, the Congressional Budget Office and the CMS Office of the Actuary have said the Democrat plan yields no savings for this reason—and no harm is done. But worst case scenario is overactive bureaucrats or the next President take this negotiating authority and use it to force price controls, ration drugs, and deny doctor and patient choice of what medicines are allowed for seniors.

So friends, pick your poison: On the one hand an impotent outcome as CBO and the CMS Actuary have foretold, on the other, Medicare setting prices and rationing seniors their medicine. I will remain agnostic as to which is the intended and which the unintended consequence.

The reason the two economic models I've mentioned concluded no savings via H.R. 4 is that, fundamentally, the government cannot negotiate any better than the thousands of prescription drug plan managers in the private market. Under current law the millions of Medicare beneficiaries, via their prescription drug plans, are coupled with the 200 million other health insured Americans. Caremark negotiates for 70 million lives, Medco for 54 million, and Express-Scripts for 51 million. Medicare Part D allows our Medicare beneficiaries to piggyback on that huge buying power with professional negotiators. And the other side would rather untrained government bureaucrats negotiate for my constituents? No thank you.

So let's look at the worst case scenario under this bill, where Medicare commands and controls seniors' medicine.

Yes, H.R. 4 seems to disallow formularies, but in law school they taught me to look closely at the law. Page 3, line 20: ''nothing . . . shall be construed to authorize the Secretary to establish or require a particular formulary.''

But banning a national formulary does not protect beneficiaries from other government access controls to prescription drugs. For instance, the Medicaid program has no national formulary, however, it employs various strategies such as a ''preferred drugs list'' to limit access of medications. If beneficiaries want to receive a medication that is not on the preferred drug list, they must go through a lengthy and confusing authorization.

If the authors of H.R. 4 didn't have this in mind, why did they strike the underlying MMA language that would seem to protect against this, that said ''The Secretary may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs''?

The Ways and Means Chairman was thoughtful enough to hold a forum on this matter yesterday for our committee members, and both his and Mr. MCCRERY's invited witnesses agreed that to get VA prices, you have to set a formulary, and a strict one at that.

Again, the Democrats' bumper sticker slogan is fraught with bad consequences—intended or unintended.

Most importantly, the plan offered by Democrats would limit choice. Veterans have access to less than one third the drugs Medicare beneficiaries do—the VA formulary covers 1,300 drugs while the Medicare drug benefit covers 4,300 drugs. Drugs like Lipitor, Celebrex, Flomax, and Prevacid are unavailable in the VA plan. In fact, 20 of the top 33 most commonly prescribed drugs for seniors are excluded in the VA plan.

Pharmacy access is another pitfall of the Democrats' slogan. In reality, the VA distributes 80 percent of its medications by mail. Medicare uses mail for less than 2 percent of its medications. Seniors appreciate the opportunity to talk to their local pharmacist and ask questions about their prescriptions, and we have 1,077 pharmacies in Missouri where they can do just that. The VA has 6 pharmacies in the entire state of Missouri (and only 332 nationwide); the Democrat bumper sticker slogan loses a lot of its luster when looked at through that lens.

Simply put—seniors would find many of their favorite drugs unavailable and that's unacceptable.

The price control plan offered by the Democrat majority does not guarantee that seniors have access to ''all or substantially all'' drugs to treat cancer, mental illness, HIV/AIDS, and Lou Gehrig's disease. These important protections are in place in the current drug benefit and our motion to commit will offer the majority a chance to continue to protect drugs for these vulnerable populations.

While the plan being debated may be labeled ''price negotiation,'' it is more accurate to call it ''price fixing.'' Every time price fixing has been tried in other countries, it has failed. It has resulted in limited therapies and reduced innovation. And if the government saves the money from price fixing, the economic models show the cost will be shifted to the higher prices for the over 250 million non-Medicare Americans. In fact, the Democrat witness at yesterday's forum stated ''if Medicare gets a better price, some people will have to pay more.''

It's an easy campaign slogan to say ''let Medicare negotiate low prices like the VA.'' But, to get there, you have to make that deal with the devil and allow Medicare to set prices and force strict formularies.

In conclusion, in attempting to fix an unbroken system, H.R. 4 faces the unintended consequence of either being lamely impotent at negotiating lower prices, or dangerously controlling by price fixing and restricting seniors access to drugs. Bad outcomes, whether intended or not; therefore, I urge a ''no'' vote.

Mr. STARK. Mr. Speaker, prior to recognizing the distinguished majority leader for 1 minute, I would just like to remind my friend from Missouri that at least in California we require law students to be able to read well enough to understand that bills they wave in the air are different from the bill we are considering today.

I wouldn't call it a lie to suggest that what we passed in 2000 is different from what we have today, but I would consider it close to shysterism in terms of at least dealing with law.

Mr. Speaker, I am pleased at this point to recognize the distinguished majority leader for 1 minute.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Speaker, let me say to my friend, we don't have to say you did it perfectly, and that is what we are talking about, making it better. That is what this is about, improving. We can argue in debate about what is, but what we cannot argue about, I think, is it is not perfect, and we can make it better. We are going to have a bipartisan vote on this. We are going to have a lot of people on your side of the aisle say, yes, we can make it better. That is what this is about, making it better.

By the way, I will tell my friend, 92 percent of the American public responds in polls they think this is what we ought to do. That is not pounding on the table; it is pounding on democracy.

Mr. Speaker, I want to, before I further discuss this particular bill, discuss the legislation H.R. 4. I would like to take a moment to congratulate the Members of the people's House, all of us, on the very productive week we have had. This week we worked to make America safer, passing bipartisan legislation that implements the 9/11 Commission recommendations.

We worked to make our economy fairer, passing bipartisan legislation that raises the Federal minimum wage, and we worked to improve the health care for all Americans, passing bipartisan legislation that promotes embryonic stem cell research. We are keeping our pledge to the American people to lead, govern effectively, and get results.

Today we consider H.R. 4, the Medicare prescription drug price negotiation act. Bipartisan legislation aimed at cutting prescription drug prices for millions of seniors and individuals with disabilities.

I can't believe there is anybody opposed to that objective. Yes, there is an issue of how do you do it best.

Many believe that this is one way to do it, not the only way to do it. This legislation repeals, in my opinion, a misguided provision in current law that explicitly prohibits the Secretary of Health and Human Services from entering into negotiations with drug companies to lower the cost of prescription drugs for the 43 million beneficiaries of Medicare.

I tell my friend in the private sector that if the drug manufacturers believe there is an alternative, that will go into the price structure, I guarantee it. By that, I mean, even if it is not exercised, we require it to be exercised, but even if it were not, if that alternative were present, it is going to affect the psychology of pricing.

H.R. 4 requires the Secretary to conduct such negotiation but gives the Secretary broad discretion in how to most effectively implement negotiating authority to achieve the greatest discounts. We want him to take steps to be effective in accomplishing the objective of bringing drug prices down for seniors.

The bill also permits Medicare part D drug plans to obtain discounts or lower prices below those negotiated by the Secretary.

As The New York Times observes today in an editorial, the bill is, and I quote, sufficiently flexible to allow older Americans to benefit from the best efforts of both government and private drug plans.

□ 1215

Mr. Speaker, this legislation has the overwhelming support of the American people, many of whom have experienced firsthand the rising costs of prescription drugs. In fact, as I just quoted, a recent Newsweek poll indicated that 92 percent, more than nine of every ten Americans, believe this is a policy that ought to be supported.

The people's House is going to reflect that sentiment today. In my view, this legislation is a commonsense effort to do right by the 43 million Americans enrolled in Medicare. It removes an unnecessary prohibition on prescription drug negotiations that should not have been enacted in the first place and allows the Secretary to do what he was hired to do, to put the interests of the American people first.

As Chairman DINGELL and Chairman RANGEL have observed, this bill is a very important first step in making prescription drugs more affordable. In this 110th Congress, we also must commit ourselves to addressing the affordability of an accessibility of health care generally.

I urge my colleagues to support this very important, bipartisanship, commonsense step forward in bringing the prices of drugs down for all of our seniors and our people. I thank the gentleman for yielding the time.

Mr. MCCRERY. Madam Speaker, having heard from the distinguished majority leader, the House is now fortunate to be able to hear both sides of this from the minority leader. I yield 1 minute to the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Madam Speaker, I thank my colleague from Louisiana for yielding and thank my colleague from Maryland for his comments.

I rise today in opposition to the plan being put forward that I think would bring government cost controls to a program that is widely popular and is working. We all know that, about 4 years ago, Congress passed a prescription drug benefit for seniors. In that bill, we make it clear that this benefit is to be provided by the private sector, and some 40 plans across the country are out there competing with different types of plans for seniors with different needs. And so the number of choices out there is overwhelming, but the fact is that the number of plans out there are also bringing competition; competition for better quality drugs, more access to drugs, bringing down the cost of this program by 30 percent. The program costs 30 percent less than what we thought it would cost when Congress passed it.

More importantly, some 80 percent of seniors appreciate their plan. They have a choice of their doctor; the doctor has the choice of prescriptions that they can offer to their beneficiary, to their patient; and the patient can go to their local pharmacy, they can talk to their local pharmacist, which all those choices are probably why we have an 80 percent approval rating for this program.

So what do we have here today? We have here today that says the government must go out and negotiate directly with drug companies. The fact is these 40 different plans that are operating around the country have been negotiating with drug plans over these last several years. Why do we think the cost has come down? It is that competition in the marketplace.

And I appreciate my colleagues on the other side for their ideas that the government ought to go out and directly negotiate this. It is one of those big dividing issues that we have between Members here in Congress. Some believe strongly that government ought to do it. Government ought to do it. We ought to order government to do it. While many of us believe that competition, competition and using free market principles will in the long run produce better results, lower costs, higher quality and more satisfaction among seniors. And that is exactly what we have seen with this plan.

Many people believe that the plan here would begin to look something like the plan that we have over at the Veterans' Administration where they do in fact negotiate with drug companies, although veterans that are taking those benefits have one-third the choice of drugs available to them that Medicare recipients have. I don't think there is anything we want to do today that would limit the ability of doctors to prescribe the correct drugs for their patients.

Secondly, the veterans' program in many cases requires the prescription to be delivered by mail order. Now, this is a growing move in the marketplace, but a lot of seniors want to go talk to their pharmacists, and I and many believe that the passage of this bill could lead to less choices for our seniors when it comes to where they get their drugs.

And so Republicans will offer a motion to recommit that simply says that we should not reduce the choices available to seniors, they ought to have those choices, and they should not be reduced at all; and secondly, that they should also have a choice in terms of where they get their drugs. Those are the two issues in the motion to recommit.

And so I would urge my colleagues to reject the idea of big government price controls and to support the motion to recommit that will in fact preserve choices for our seniors who rely on this very important program.

Mr. STARK. Mr. Speaker, I would like to recognize the gentleman from California (Mr. COSTA) for a unanimous-consent request.

(Mr. COSTA asked and was given permission to revise and extend his remarks.)

Mr. COSTA. Mr. Speaker, I ask my colleagues to vote for H.R. 4 to fix the flaws of this program for our seniors and to save our taxpayers dollars.

For many years, I was the principle caregiver for my late mother.

Through her experience and my own, it became clear to me that the prescription drug bill passed by the 108th Congress was seriously flawed from the standpoint of being overly complex and not providing cost-savings for seniors.

It's time we make the necessary changes.

I've heard those opposed to this bill repeatedly claim it is contrary to free market principles.

But I ask you, what could be more apple pie to free market than being able to negotiate over pricing?

Those opposed to this bill also talk about the CBO's evaluation of the bill.

But what they won't mention is that, in 2003 the 10-year cost estimate for this bill was $395 billion.

Do you know what they say now?

Part D spending will cost the government nearly double the original estimates.

As a Member of this House it is time we support our free market and protect our taxpayer dollars.

Let's correct this injustice for those living on fixed incomes and put an end to this prescription drug rip-off.

This bill is an improvement. We should and can do better.

Vote for H.R. 4.

Mr. STARK. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from California (Mr. BECERRA), who agrees with the Reliance for Retired Americans that, by harnessing the bargaining power of 40 million Medicare beneficiaries, H.R. 4 will bring relief to older and disabled Americans.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, from the sound of it from our colleagues on the other side of the aisle, you would think that prescription drug prices were a great deal. They say it is working; the system ain't broke, so no need to do anything.

Well, I did a little bit of research. And it is my own research, so I took a look at a couple of very popular drugs: Clarinex, which is for allergies; Lipitor, which is for cholesterol. I figured out the average prices out there at any pharmacy for those drugs per gram, and that turns out to be about $733 per gram for Clarinex and about $279 per gram for Lipitor. And I said, wait a minute. These are good deals. Right?

So let's find out what an illicit drug on the street costs today. And, again, this is all my research. I couldn't tell you that I know for a fact what cocaine costs on the street or heroin, but I did some research. The U.N. Report of 2006 on Drugs and Crime says that cocaine has a street value of about $112 per gram, heroin about $95 per gram.

So if you take a look at what is going on today, it is a great price that you pay four or five times more for a drug to help save a senior's life than you have to pay for a drug that you abuse on the streets today in America.

Our drug prices are not okay. The system is broken. We do need to change it. And all we are saying is let's try to reduce the price. It doesn't hurt to try.

Anyone here bought a house, bought a car, a truck? Did you pay sticker price, or did you try to negotiate the price down? You may not have been able to; it may have been a very popular model car or truck, or home. But that is what we are saying, let's try to negotiate the price down.

It is like telling a football team you get one down to get to the goal, and if you don't, you have got to punt. Or telling the batter, you go to the batter's box and you get one strike. Let's give America four downs, let's give America three strikes to try to reduce the price of these drugs. We should do it. Pass this bill.

Mr. MCCRERY. Mr. Speaker, I yield the remainder of my time to the distinguished ranking member of the Health Subcommittee of the Ways and Means Committee, Mr. CAMP, and ask unanimous consent that he control the remaining time.

The SPEAKER pro tempore (Mr. BOSWELL). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CAMP of Michigan. Mr. Speaker, I yield 2½ minutes to a distinguished member of the Ways and Means Committee, the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding.

We have heard all this talk about the vote that 203 Democrats took in H.R. 4680, motion to recommit; it is apples to oranges; it doesn't compare. Let me read the language so it is black and white and not a lie:

Noninterference by the Secretary. In administering the prescription medicine benefit program established under this part, the Secretary may not require a particular formulary, institute a price structure for benefits or in any way ration benefits, interfere in any way with the negotiations between benefit administrators and medicine manufacturers or wholesalers, or otherwise interfere with the competitive nature of providing a prescription medicine benefit using private benefit administrators except as is required to guarantee coverage of the defined benefit.

Mr. BECERRA voted for it. Mr. STARK wrote it; 203 Democrats voted for it. Now it is the wrong thing to do.

Let's be really clear. This is a bumper sticker bill that doesn't work. The policy idea here that 92 percent of Americans want to see happen is that we do it just like the Veterans' Administration does. I wonder if those 92 percent Americans were told; at the VA you can't choose your doctor, you can't choose your pharmacy. Two thirds of the top named brand drugs that seniors use aren't even offered by the VA. You can't get them. Do you think 92 percent of Americans want that to happen for Medicare? Medicare beneficiaries ought to be able to choose their doctor; they should be able to go to their neighborhood pharmacy.

So why are we doing this? CBO, HHS, they all tell us this will do nothing to lower prices. This will do nothing to save the government money.

What has the current program done? It lowered the premium 40 percent in one year. It lowered the prices so much beyond our expectations that this new law which came into law in 2003 is $189 billion less than we expected it to be. That is real savings.

The next argument we hear is, well, we want the Secretary to use the negotiating power of Medicare, get the bulk of negotiations going. How many people would he conceivably be able to negotiate on behalf of? All the people in the PDP, 16.5 million.

Well, what are the prescription drug plans doing right now? You see, they don't just negotiate on behalf of Medicare; they negotiate on behalf of everybody they cover. Caremark, 70 million people they are negotiating on behalf of, including Medicare. Medco, 54 million people they are negotiating on behalf of, including Medicare. Express Scripts, 51 million. Wellpoint, 36 million. These plans have more negotiating power and leverage and strength than Medicare could possibly have. That is why they are getting better discounts.

With that, Mr. Speaker, I urge a ''no'' vote.

Mr. STARK. Mr. Speaker, I remind my good friend from Wisconsin that he is quite right about the motion to recommit, but it was to a different bill. It was to H.R. 4770, which has no relationship to the bill that we are discussing today.

Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, today's bill is a genuine prescription for lower prices for our seniors that should have been adopted a long time ago. Too often, our seniors hit the donut hole paying higher premiums with no drug coverage while the big drug companies run off with all the dough.

During my service on the Ways and Means Committee, at every opportunity, I have offered an amendment for the same purpose as the bill we have today, to negotiate to protect our seniors and our taxpayers. But due to the power of the mighty pharmaceutical lobby and some late night shenanigans that happened right here on this floor and kept the Congress up all night to serve the interests of the pharmaceutical interests under the old Republican Congress, for the first time in this unique situation, we tell seniors and individuals with disabilities the government won't help.

Indeed, I asked the Congressional Research Service to look at every statute on the federal books, and, boy, that is a lot of them. And they looked, and they were unable to find any language anywhere in any federal law like this that says to the government, you can't negotiate better prices for taxpayers and for seniors.

So, today we should repeal that unreasonable one-of-a-kind limitation. For these Republicans to come out here who passed legislation to deny the choice of the government to negotiate to help seniors and today declare themselves to be ''pro-choice'' takes great audacity. To harm our community pharmacists the way their bill has harmed community pharmacists and now come and claim they are on the side of the neighborhoods takes real audacity. But audacity is something that is never in short supply from these folks.

They ought not to be afraid to do something to help our seniors and disabled just because Big Pharma says ''no.'' Put seniors and taxpayers first. Break the stranglehold of the pharmaceutical lobby and enact this legislation.

Mr. CAMP of Michigan. At this time, Mr. Speaker, we reserve our time.

Mr. STARK. Mr. Speaker, could I inquire of the time remaining on both sides.

The SPEAKER pro tempore. The gentleman from California has 22 minutes remaining. The gentleman from Michigan has 15 minutes.

Mr. STARK. Mr. Speaker, I am delighted to yield 1½ minutes to the distinguished gentleman from Georgia (Mr. LEWIS) who, like the Medicare Rights Center, knows if this bill becomes law, lower prescription drug prices will help millions of Medicare beneficiaries.

□ 1230

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the chairman of the Health Subcommittee of the Ways and Means Committee for yielding.

Mr. Speaker, our seniors are still paying too much for lifesaving prescription drugs, and today we must ease that burden.

Seniors should not have to choose between paying for their medicines and paying to heat their homes or putting food on their table, and that is still a decision that too many of our seniors have to make. Seniors saw their premiums go up and their drug prices go up. People living on fixed incomes cannot afford these increases.

The big drug companies are the big winners under the prescription drug plan. They are getting a great deal, but the seniors are getting a bad deal, a raw deal. The drug companies' profits increased over $8 billion in the first 6 months of the prescription drug plan, $8 billion, while our seniors and taxpayers pay the bill. It is wrong and it is unnecessary; and today it is our duty, our obligation and a mandate to change that and bring down drug prices.

It is common sense to negotiate with drug companies to get lower drug prices. It is very simple. It is not that difficult. The VA does it and HHS has already done it too.

It is our duty to our seniors and to the taxpayers to lower drug prices. To do anything less is unfair to our seniors and a waste of money and a gift to the drug companies.

Mr. CAMP of Michigan. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from Iowa (Mr. LATHAM).

(Mr. LATHAM asked and was given permission to revise and extend his remarks.)

Mr. LATHAM. Mr. Speaker, I rise in strong opposition to H.R. 4.

Mr. Speaker, I rise in strong opposition to H.R. 4, a misguided policy that threatens to destroy the positive benefits provided to seniors through Medicare Part D. Arguments in support of this bill completely ignore the fact that under Medicare Part D, drug plans currently negotiate with drug companies to offer lower prices and better benefits for seniors. Due to strong competition among drug plans, the average Part D premium is now 42 percent less than originally projected. CMS actuaries recently announced that in 2008, Part D will cost taxpayers 10 percent less than it did this year. That will be 30 percent less than originally anticipated. In addition, most beneficiaries are satisfied with Part D. National surveys place beneficiary satisfaction at approximately 80 percent or higher.

According to the Congressional Budget Office, there are no projected cost savings associated with H.R. 4. This is because the only way to squeeze any more savings out of the current system is to limit formularies and steer patients to certain preferred drugs on a nationwide basis, as the VA does. With H.R. 4 in place, this would be a fairly easy step to take in the future. However, the VA model is not one we should follow. While 38 percent of the drugs approved by the FDA during the 1990s are on the VA formulary, it includes only 19 percent of drugs approved since 2000. One million of the 3.8 million Medicare age veterans in the VA health system have signed up for the Medicare Part D benefit because VA coverage is not adequate.

In the U.S., 43 million Medicare recipients account for 40 percent of all drug spending. With this kind of market share, Federal Government ''negotiation'' is in reality price setting. In the past, Democrats as well as Republicans have rejected federal price setting for Medicare drugs.

Noninterference clauses were included in past Democrat sponsored drug benefit legislation, including President Clinton's 1999 Medicare reform proposal, and two prescription drug bills offered by House Democrats in 2000.

It is important to point out the Federal Employees Health Benefits Program, routinely cited as a model for its quality and efficiency, relies on private health plans to negotiate drug prices on behalf of federal employees and Members of Congress. If federal price setting is not good for us, then it is not good for Medicare beneficiaries.

Mr. Speaker, the bottom line here is that having competing drug plans negotiate drug prices—rather than the federal bureaucracy—is the best way to administer the Medicare drug benefit. The current system has been extremely successful in keeping costs low. Diverse formularies and cost sharing arrangements allow seniors to choose the plan that meets their needs at the lowest possible cost.

I urge my colleagues to reject the ill-advised and misguided policy proposed by House Democrats and vote ''no'' on H.R. 4.

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

Mr. STARK. Mr. Speaker, at this time I am happy to yield 1½ minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy.

The Medicare prescription drug program was controversial from the start in part because of the notorious way it was strong armed through the House in the middle of the night after holding the voting machines opened for hours. Our new rules will prevent that.

Part of the controversy was the huge cost of a new unfunded entitlement with generous, probably unnecessary, subsidies and a prohibition on bargaining for a better price.

This better price is important because total drug costs for seniors, premiums and drugs, are going up. A review of drug company balance sheets where advertising and profit dwarfs basic research shows room to lower prices without undue stress on their research budget or their profit.

Competition and bargaining power combined with the Secretary's bully pulpit can probably save billions of dollars for seniors, hundreds, perhaps thousands, for individuals because these costs, remember, for most seniors are still going up.

Our action today is just a first step, a signal and a tool. The program is not set in stone. We are committed to the best treatment for our seniors and all taxpayers. This is a tool for the administration that, if they will use it, can save money and improve the program. It is a start on a longer and critical process to provide cost-effective quality health care for our seniors and ultimately for all Americans.

Mr. STARK. Mr. Speaker, at this time I am delighted to yield 1½ minutes to the distinguished gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I am astonished today. It is only government interference when the little guy gets some help from the government. It is not government interference when corporations get subsidies and royalties from taxpayers. That is a different story. Well, it is a different story after November 7.

This legislation will require the Secretary of Health and Human Services to negotiate lower drug prices on behalf of those who enroll in the Medicare prescription drug plans. The current Medicare prescription drug law explicitly prohibits the Secretary from using the market power. The former Secretary wished he had it, under the Bush administration, this power for the 43 million beneficiaries. This power is splintered now among numerous private plans, and we have headed down the slippery slope of privatization of what were guaranteed benefits at one time.

The prices charged by Medicare plans are rising more than twice the rate of overall inflation, and many beneficiaries are seeing substantial premium increases, some as much as sixfold.

During the first 6 months of the program, the price for brand-name drugs rose 6.3 percent. For an average senior who relies on four drugs a day, this translates into an increase of 30 percent in prescription drug therapy for 1 year.

The simple fact is that part D is doing nothing to truly control the high cost of prescription drugs. In the past year, the average price of 20 top-selling prescription drugs rose 3.8 percent. Following suit, the average private plan price increased 3.7 percent. That means even with part D, Medicare beneficiaries still foot the entire bill for escalating drug prices.

Mr. STARK. Mr. Speaker, I am pleased to yield 1½ minutes to the distinguished gentlewoman from Nevada (Ms. BERKLEY), who agrees with the American Nurses Association that the direct negotiation authority in this bill is a commonsense means of improving access to needed prescription medications.

Ms. BERKLEY. Mr. Speaker, I represent the fastest growing senior population in the United States. Many of the seniors that I represent have no other income than their Social Security check. Many need multiple medications. Many cannot afford the medications that they need.

It never made any sense to me that we had a Medicare system that enabled seniors to go to a doctor but, when the doctor prescribed the medication that they needed, many seniors were unable to afford the medication that the doctor prescribed. So I was a great advocate for a prescription medication benefit for older Americans.

The Republicans' prescription medication so-called benefit that was passed at 6 o'clock in the morning as we sat here or stood here watching in horror as arms were twisted and threats were made on the other side of the aisle in order to garner enough votes to pass this dog of a piece of legislation, it has never benefited enough seniors that were in desperate need of affordable medication. So if it didn't benefit our seniors, whom did this legislation benefit? It benefited the pharmaceutical industry.

The bill that was passed was so bad that it is hard to point out the worst part of it. But if I were a betting woman, and coming from Vegas I am a betting woman, I would say that the worst, the absolute worst, section was the one that prohibits our government from negotiating with drug companies for lower drug prices for our seniors. It doesn't take a genius to know that allowing the government to negotiate drug prices will lower the cost. It is common sense. The VA has been negotiating for years, and it saves our veterans millions of dollars.

We should be encouraging our government to negotiate lower prices instead of allowing our drug companies to increase the costs.

Mr. CAMP of Michigan. Mr. Speaker, at this time I yield 2 minutes to a distinguished member of the Ways and Means Committee and the Health Subcommittee, the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, for all the efforts of the proponents of H.R. 4 to confuse this issue, it truly is a simple one, basically a choice between hot-air promises and real-life facts.

Today, some people are claiming we need government negotiation in order to increase the pool of Medicare beneficiaries trying to buy affordable drugs. Well, unfortunately, that math just doesn't add up. The pharmacy benefit managers negotiating drug prices on behalf of seniors enrolled in part D are the very same PBMs going to bat for tens of millions of the under-65 population, including those of us enrolled in the Federal Employee Health Benefit Plan. So if we took the Medicare population out from under that huge umbrella, they actually lose bargaining power, not gain it.

Another claim that is being made is that the Secretary will not have to limit the formulary in order to achieve promised savings. Mr. Speaker, if you believe that, I have got some ocean-front property in Arizona I would like to sell you.

Let us take a look at the VA plan as an example since it is being touted as a stellar illustration of government negotiating. The VA formulary has 1,300 drugs compared to more than 4,000 for Medicare.

And all the Medicare plans protect drugs for the most vulnerable, including drugs that treat cancer, AIDS, and mental illness. That is why H.R. 4 is opposed by the National Alliance on Mental Illness, the ALS Association, and others.

Finally, some are saying this bill will provide outstanding savings. Not to let the facts get in the way of a good story, but our own Congressional Budget Office says the effects of this bill will not save money.

Drug prices have fallen every year of part D's existence because of one thing: competition. And it is working great. As we say in Texas, ''If it ain't broke, don't fix it.''

This debate boils down to a choice between government promises and free market results. I urge Members to vote against H.R. 4.

Mrs. EMERSON. Mr. Speaker, I yield myself 15 seconds.

I would simply say that it is important for my colleagues to know that the same pharmacy benefit managers whom we have entrusted to negotiate the price of our own seniors' drugs are now being investigated in over 25 States for questionable business practices.

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

Mr. STARK. Mr. Speaker, I am happy to yield 1½ minutes to the distinguished gentleman from Wisconsin (Mr. KIND), who agrees with the National Senior Citizens Law Center that H.R. 4 is an important step toward making the prescription drug benefit simpler, more affordable, and reliable.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I thank my good friend and colleague for yielding to me and commend him on his leadership on this issue.

Mr. Speaker, let us be clear on what we are trying to do here today. We are trying to help you. We are trying to help find some cost savings on what was the largest expansion of entitlement spending in the last 40 years that was passed under your rule, with no ability to pay for it, all deficit financing, no cost-containment measures.

All we are saying here today with H.R. 4 is let us give the Secretary of Health and Human Services the ability to go out and negotiate a better deal for the American taxpayer. And I, for the life of me, don't understand why any Secretary, with all due respect to Secretary Leavitt's article in the papers yesterday, would not want to have this negotiating authority in their arsenal. In fact, the last outgoing Secretary of Health and Human Services, Tommy Thompson, during a moment of unguarded candor, said after his resignation that the one thing that he regretted while serving as Secretary of Health and Human Services was ''I would have liked to have had the opportunity to negotiate.'' And he based that on his success in negotiating better prices for Cipro and FluMist.

The VA system is already negotiating better prices. It is working well. No one in this Congress is proposing any change or repeal with the VA system. And except for the administration's penchant for no-bid contracts, there is no other product or service in this country where we specifically prohibit the Federal Government from going out and negotiating a better price for the American taxpayer. We can change that today with passage of H.R. 4.

Let's give it a shot. Let us give the Secretary of Health and Human Services the discretion to negotiate better prices for our consumers.

In Wisconsin, there currently exist several programs that allow the state to negotiate with pharmaceutical companies for lower drug costs. For instance, Badger Rx Gold is a public-private sector partnership between the State and Navitus Health Solution that on average saves participants 23 percent on prescriptions. SeniorCare is another program that has successfully negotiated lower drug costs for seniors in Wisconsin. Since enrollment in Medicare Part D began in May of 2006, there has been an increase in the number of participants in SeniorCare from 85,000 to over 110,000.

According to an analysis by AARP Wisconsin, more than 94 percent of SeniorCare participants are better off under SeniorCare than they would be under Medicare Part D because the co-payments are lower and the coverage is more comprehensive. Therefore, it is critical that the Secretary of Health and Human Services also have the authority to negotiate for lower drug costs so all seniors in our country can benefit.

Mr. Speaker, having clearly seen the success of negotiating lower drug costs at both the state and federal level, I enthusiastically support the legislation before us today, and I urge my colleagues to support H.R. 4.

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

Mr. STARK. Mr. Speaker, I am delighted to yield at this point 1½ minutes to one of the authors of the bill, the gentlewoman from New Hampshire (Ms. SHEA-PORTER).

Ms. SHEA-PORTER. Mr. Speaker, I thank the gentleman from California for yielding.

I am a proud sponsor of this bill. My interest in this bill is both professional and personal. I have worked in senior centers for years and watched seniors struggle with insurance companies and pharmaceutical companies. And then I watched my father struggle, through three major illnesses, with insurance companies and pharmaceutical companies. My father would have been delighted to have somebody come from the Federal Government and say, I am here to help you, because my father needed that help, and so do all the other seniors in this country. And do not believe for a moment that things are better now, because my mother also receives prescription drugs and struggles with the cost and worries about what is happening to the money that she has left.

□ 1245

I urge my colleagues to please support this bill. It is a beginning. It is the voice of the people, the voice of the taxpayers.

Who sits at the table right now with the insurance companies and the pharmaceutical companies while they negotiate? We don't. The taxpayer cannot sit at the table. But if my colleagues pass this bill, the American taxpayer, the seniors and all those who require these drugs will finally be represented.

Mr. CAMP of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, the distinguished member of the Ways and Means Committee, Mr. BRADY.

Mr. BRADY of Texas. Mr. Speaker, I am a member of the Ways and Means Committee, proud to have helped create the Medicare prescription plan; it is really helping a lot of our seniors in Texas, especially those who are very poor and have some of the most expensive illnesses.

I think we can do more to improve the Medicare prescription drug plan, we ought to work better together; but I oppose directing the Federal Government to interfere with the successful Medicare prescription drug plan.

If you look closely, this is a senior scam. I am warning my mom, who is on Medicare, that this is just another senior scam. It sounds fantastic, but when

you read the fine print, you realize the only savings you get is, if you just restrict the drugs that she can get, you limit where she can go to get them, and every expert says this won't save a dime. Sure, I can save everyone in this room costs on their medicines. I am just going to, like the VA does, I will tell you, you can't have those medicines and you can't get them where you need them.

Our seniors, my mom has a choice of 4,000 drugs, if she was in the VA, she would get a choice of a thousand, most of them generics. Now she has 55,000 pharmacies, hopefully she won't go to all of them; with VA, she would get to go to 300 of them. If she tried to find the drugs she needs, a one out of four chance she would find the one she really needs.

The truth of the matter is that we ought to be working together to help improve Medicare. We ought not be trying to score political points. We ought to be helping seniors lower their drug costs.

This is a scam; and I predict it will not ever become law because this scores political points rather than helping seniors with their medicines. Let's find a way we really can work together for our seniors.

Mr. STARK. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Connecticut (Mr. MURPHY), who concurs with Consumers Union that government-priced negotiations on behalf of consumers could cut pharmaceutical drug prices roughly in half.

Mr. MURPHY of Connecticut. I thank my good friend from California.

Mr. Speaker, I rise today in support of H.R. 4.

The average guy out there doesn't ordinarily pay much attention to the minute details of Federal prescription drug law. You have to screw up pretty bad to create a grassroots movement centered around a one-line sentence buried deep in the depths of the Medicare Act, but that is exactly what happened here.

For those of us who are coming here anew, we have spent the last 2 years talking to our seniors and our taxpayers about the horrors of this bill. As the cost of this program skyrocketed, as premiums increased, as the donut hole expanded, seniors suffered and drug companies prospered.

And guess what? The American people started to notice that little sentence buried deep in that Medicare Act that seemed so out of place and so unnecessary.

My presence here today is a living example of this popular discontent which those on the other side of the aisle seem so eager to ignore. And even if this bill doesn't fix that Medicare drug program overnight, it is an unmistakable signal to the people that I represent back home that this House is no longer a place where industry can profit off of a desperately needed social program; it is a place now where common sense comes first.

Mr. STARK. Mr. Speaker, I am delighted to yield 1 minute to the distinguished gentleman from Tennessee (Mr. COHEN).

Mr. COHEN. Mr. Speaker, it is with great honor that I stand as a co-sponsor of this bill that is sponsored by Chairman DINGELL, Chairman RANGEL and others.

One of the major issues I heard during my campaign from seniors was how much it cost them to buy drugs and how it is essential for their life and well being.

This weekend we will be celebrating, on Monday, the birthday of Dr. Martin Luther King, observing his birthday. Dr. King knew there was economic and social justice, both. Dr. King said equality means dignity, and dignity means that you can afford some health care, and you don't have to spend every penny on the utility bill and on drug prices and you run out of money.

WWMLK, what would Martin Luther King do today? He would vote for this bill. I ask everybody else to do it in honor of Dr. King.

Mr. STARK. Mr. Speaker, I am delighted to yield 1½ minutes to the distinguished member of our Ways and Means committee, the gentleman from New York (Mr. CROWLEY), who agrees with Families USA, the national voice of health care consumers, that H.R. 4 is an important first step in improving part D.

Mr. CROWLEY. I thank my friend from California for yielding such time.

Mr. Speaker, I rise in strong support of H.R. 4, bipartisan legislation that will correct a glaring flaw in the prescription drug law.

This commonsense bill will require the Federal Government to negotiate for lower drug prices for American seniors and people with disabilities in the Medicare program.

It sounds like common sense, right? But the Republicans actually wrote into law language explicitly prohibiting the government from negotiating for lower prices for American seniors. Instead of using the bully pulpit of the Secretary of Health and Human Services to lower costs, they put a muzzle on him, banning any negotiations.

There has never been legislation passed in law prior to that that strictly prohibits any agency from negotiating. From war planes to medical equipment, the Federal Government has always been able to negotiate.

Furthermore, 85 percent of respondents in a recent Kaiser Family poll support legislation to allow the government to negotiate lower drug prices.

The ability to require the Secretary of Health and Human Services to negotiate the cost of prescription drugs purchased through the Medicare program has the potential to constitute a tremendous savings for recipients, and therefore for all taxpayers.

I am pleased that within the first 100 hours of Democratic control of Congress, we are moving to help alleviate the high price of prescription drugs on our seniors.

America is going in a new direction, and that direction is forward.

Mr. CAMP of Michigan. Mr. Speaker, I would like to place into the RECORD four letters, from the American Legion, the Lou Gehrig's Association, the National Alliance on Mental Illness and the American Autoimmune Association, all opposed to H.R. 4, concerned about its effect on the prescription drug benefit for seniors.

THE AMERICAN LEGION,
Washington, DC, January 11, 2007.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI: The American Legion urges you and your colleagues to reevaluate the ''noninterference'' provision of Chairman Dingell's proposed legislation, H.R. 4, The Medicare Prescription Drug Price Negotiation Act of 2007. It would amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate lower covered part D drug prices on behalf of Medicare beneficiaries.

Each time the Federal government has enacted pharmaceutical price control legislation, the Department of Veterans Affairs (VA) has experienced significant increases in its pharmaceutical costs as an unintended consequence. A fundamental principle in the price negotiation process so that the ''lowest price'' establishes the baseline. By simply raising the baseline, it sustains or possibly increases the corporate bottom line based on the projected increased volume in sales. An increased baseline minimizes the margin in future price negotiations.

The American Legion strongly urges you and your colleagues to seriously consider the collateral damage that would result from listing the current ''noninterference'' provision in section 2 of H.R. 4 on VA's formulary and the Federal Supply Schedule. This ''noninterference'' provision is not in the best interest of America's veterans and their families. VA is a health care provider, whereas Medicare is a health insurer. Any possible Medicare savings would likely result in a reciprocal cost to VA.

Sincerely,

PAUL A. MORIN,
National Commander.

THE AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION,
Washington, DC, January 4, 2007.

DEAR MEMBER OF CONGRESS: I am writing on behalf of The ALS Association to express our strong opposition to legislation that would eliminate the noninterference provision of the Medicare Modernization Act (MMA). Legislation that authorizes the federal government to negotiate Medicare prescription drug prices will significantly limit the ability of people with ALS to access the drugs they need and will seriously jeopardize the future development of treatments for the disease—a disease that is always fatal and for which there currently are no effective treatment options.

The ALS Association is the only national voluntary health organization dedicated solely to finding a treatment and cure for amyotrophic lateral sclerosis (ALS). More commonly known as Lou Gehrig's disease, ALS is a progressive neurodegenerative disease that erodes a person's ability to control muscle movement. As the disease advances, people lose the ability to walk, move their arms, talk and even breathe, yet their minds remain sharp; aware of the limitations ALS has imposed on their lives, but powerless to

do anything about it. They become trapped inside a body they no longer can control.

There is no cure for ALS. In fact, it is fatal within an average of two to five years from the time of diagnosis. Moreover, there currently is only one drug available to treat the disease. Unfortunately, that drug, Rilutek, originally approved by the FDA in 1995 has shown only limited effects, prolonging life in some patients by just a few months.

The hopes of people with ALS—those living today and those yet to be diagnosed—are that medical science will develop and make available new treatments for the disease; treatments that will improve and save their lives.

However, The ALS Association is deeply concerned that the elimination of the MMA's noninterference provision will dampen these hopes and will result in unintended consequences for the thousands of Americans fighting this horrific disease. The potential impacts are significant and include:

LIMITS ON INNOVATION

While reducing the cost of prescription drugs is an important goal, it should not be done at the expense of innovation. Unfortunately, eliminating the MMA's noninterference provision will limit the resources available to develop new breakthrough medicines. This is especially troubling for a disease like ALS, for the development of new drugs offers patients their best, and likely only, hope for an effective treatment.

Additionally, by establishing price controls, Congress will undermine the incentives it has established to encourage drug development in orphan diseases, like ALS. As resources available for research and development become more scarce, there will be even less incentive to invest in orphan drug development.

LIMITS ON ACCESS

The elimination of the noninterference provision will have particularly cruel consequences for people with ALS. It means that even if a new drug is developed to treat ALS, many patients likely will not have access to it. That's because price controls can limit access to the latest technologies. Proponents of government negotiated prices cite the Department of Veterans Affairs as a model for how the government should negotiate prices for Medicare prescription drugs. Yet under that system, patients do not have access to many of the latest breakthrough treatments. For example, two of the most recently developed drugs to treat Parkinson's and Multiple Sclerosis, neurological diseases like ALS, are not covered by the VA due to the government negotiated price. Ironically, those drugs currently are covered by Medicare Part D.

Given this scenario, we are deeply concerned that any new drug that is developed for ALS will not be available to the vast majority of patients who need it. Instead they either will be forced to forgo treatment, or only will have access to less effective treatment options—ones that may add a few months to their lives, but not ones that will add years or even save their lives.

PEOPLE WITH ALS RELY ON MEDICARE

A significant percentage of people with ALS rely on Medicare, and the newly established prescription drug benefit, to obtain their health and prescription coverage. In fact Congress recognized the importance of Medicare coverage for people with ALS by passing legislation to eliminate the 24-month Medicare waiting period for people disabled with the disease. This law helps to ensure patients have timely access to the health care they need. With the establishment of the Part D benefit, Congress also has now helped to ensure that people with ALS have access to coverage for vital prescription drugs.

Yet this improved access is threatened by short-sighted and inappropriately cost driven efforts to remove the noninterference provision. If Congress makes this change, they will undo what the MMA sought to ensure: access to needed prescription drugs.

While the ALS Association appreciates attempts to improve access to affordable prescription drugs, we believe that Congress must consider the implications of its actions on coverage, access and the advancement of medical science. We fear that in an effort to control costs, Congress may limit treatment options, discourage innovation, and extinguish the hopes of thousands of Americans whose lives have been touched by ALS and who are fighting to find a treatment and cure. On behalf of your constituents living with Lou Gehrig's disease, we urge you to oppose legislation to eliminate the noninterference provisions of the Medicare Modernization Act.

Sincerely,

STEVE GIBSON,
Vice President,
Government Relations and Public Affairs.

NATIONAL ALLIANCE ON MENTAL ILLNESS,
Arlington, VA, January 9, 2007.

Hon. NANCY PELOSI
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: On behalf of the 210,000 members and 1,200 affiliates of the National Alliance on Mental Illness (NAMI), I am writing to express concerns regarding H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. As the nation's largest organization representing individuals with severe mental illnesses and their families, NAMI is concerned about the potential impact of H.R. 4, and repeal of the so-called ''non-interference'' provision in the Medicare drug benefit, on critical access protections for the most vulnerable Medicare beneficiaries living with severe mental illness.

As you know, the ''non-interference'' protection was a part of numerous legislative proposals for extending a prescription drug benefit in Medicare going back nearly a decade. Legislative proposals that were put forward by members of Congress on both sides of the aisle, and by both the Clinton and Bush Administrations, included this restriction on the Secretary negotiating a single price and formulary structure given the diverse treatment needs of the Medicare population. In NAMI's view, this restriction is an important part of ensuring that beneficiaries can work with their doctors to access the treatment that works best for them. While NAMI strongly supports the shared goal of making prescription drug coverage affordable for all Medicare beneficiaries, we also want to ensure that this is properly balanced against the need to ensure broad access to all covered Part D drugs—especially for the most vulnerable beneficiaries.

NAMI would like to offer the following concerns regarding H.R. 4 and its potential impact on the Medicare Part D benefit for individuals living with severe mental illness.

(1) H.R. 4 and its Mandated Negotiation Requirement Jeopardize the CMS Formulary Guidance Allowing for Broad Coverage of Psychiatric Medications in Medicare

For the 2006 and 2007 plan years, CMS has put in place guidance to all Part D Prescription Drug Plans (PDPs) and Medicare Advantage (MA) plans requiring coverage of ''all or substantially all'' of the medications in 6 protected classes: anti-neoplastics, immunosupressants, antiretrovirals, anticonvulsants, anti-depressants and antipsychotics. Of these 6 protected classes, 3 are essential to effective treatments for mental illness: anti-convulsants (commonly prescribed as mood stabilizers for bipolar disorder), anti-depressants (commonly prescribed to treat major depression) and antipsychotics (prescribed for both schizophrenia and bipolar disorder).

CMS put this ''all or substantially all'' coverage requirement in place on top of the basic statutory provision in the MMA for 2 drugs per class. The separation of these 6 drug classes is based on the reality that the medications in these categories are not clinically interchangeable and that a limit in formularies of only 2 drugs would pose a dangerous risk to the most vulnerable and medically fragile Medicare beneficiaries.

It is important to note that this requirement for ''all or substantially all'' coverage is NOT delineated in Section 1860D4(b)(3), the statutory requirements for formularies. As a result, this guidance is not part of the Part D regulations. Instead, it is ''sub-regulatory'' guidance given annually to PDPs and MA plans and must be renewed each year. As such, its existence is subject to the discretion of the Secretary and would certainly be displaced by any mandate imposed by Congress to negotiate directly with manufacturers on price.

Further, it is almost certain that the Secretary's ability to demand ''discounts, rebates or price concessions'' as required in H.R. 4 would be undermined by maintaining this guidance (i.e., the Secretary would have little or no leverage to demand discounts or rebates). NAMI is extremely concerned that placing this new legal mandate on the Secretary would directly result in loss of the ''all or substantially all'' guidance in the 6 protected classes, and therefore poses a significant risk to Medicare beneficiaries with mental illness.

(2) The Formulary Protections in H.R. 4 are Vague and Could Allow Imposition of a Single Preferred Drug List (PDL) for all Part D Plans as in Medicaid.

Currently under Medicaid, most states include their pharmacy benefit a requirement for physicians to prescribe off a limited PDL. This PDL is typically distinct from a larger formulary that includes a broader list of available medications. Medications on this preferred list are typically chosen on the basis of manufacturers who are willing to pay higher supplemental rebates (deeper discounts) to the state—NOT on the basis of clinical superiority. For years, NAMI has been concerned about the proliferation of such policies in Medicaid and we fought to create and maintain exemptions from these PDLs for medications to treat mental illness.

NAMI is extremely concerned that the language in H.R. 4 that is intended to prevent a single national formulary in Part D (page 2, lines 19–22) would still allow the Secretary to establish a national PDL for all Part D plans. The rule of construction in the bill speaks only to ''a particular formulary,'' not a PDL. Further, the second rule of construction (page 2, line 23) appears to merely restate the existing formulary standards in Section 1860D4(b)(3). If mandatory price negotiation by the Secretary were to follow the pattern established in Medicaid, use of a national PDL is likely a tool that HHS would be forced to employ—and the language in H.R. 4 would not prevent it.

(3) The Experience of the VA and Medicaid Raise Concerns About Direct Government Negotiation and its Impact on Access.

Advocates for repeal of the ''non-interference'' protection cite both the Department of Veterans' Affairs and Medicaid as examples of how the government has used negotiation to deliver deep discounts from manufacturers. At the same time, both Medicaid and the VA have also placed significant

restrictions on access for individuals with mental illness. For example, as noted above PDLs are prevalent across state Medicaid agencies—any of which limit the choice of available anti-psychotics to as few as 2 medications.

Further, in recent years, Medicaid programs have been increasingly relying on step therapy and ''fail first'' requirements. Likewise, the VA's single national formulary completely excludes a number of anti-depressants that now included in all Part D formularies. Finally, the VA imposes a policy that permits individual VISN clinical directors to require a veteran with a mental illness prescribed an anti-psychotic to first go on one of the older 1st generation ''typical'' agents before being able to access a second generation ''atypical'' agent. NAMI is certainly troubled by references to both Medicaid and VA as viable alternative models to the current Part D program.

Conclusion.

NAMI understands that H.R. 4 is being brought to the full House without the benefit of hearings in the Energy & Commerce and Ways & Means Committees where the impact of repeal of the ''noninterference'' protection on access to medications for the most vulnerable Medicare beneficiaries could be explored in greater detail. Likewise, repeal of the ''non-interference'' clause was never voted on by the House in the 109th Congress. NAMI will certainly press the issues related to patient access when H.R. 4 reaches the Senate.

NAMI shares the goal of all House members to ensure that the Part D program reaches its full potential of meaningful and comprehensive prescription drug coverage. There are a range of legislative changes to Part D that are needed to make the program work better for beneficiaries living with mental illness including codifying the status of the 6 protected therapeutic classes, allowing coverage of benzodiazepines, exempting certain non-institutionalized dual eligibles from cost sharing, repealing the asset test for the Low-Income Subsidy (LIS) and permitting private prescription assistance programs to provide free medications in the ''doughnut hole'' coverage gap. NAMI looks forward to working with you and your colleagues to move these needed reforms forward in 2007.

Sincerely,

MICHAEL J. FITZPATRICK,
Executive Director.

AMERICAN AUTOIMMUNE
RELATED DISEASES ASSOCIATION, INC.,
East Detroit, MI, January 9, 2007.

Hon. JOHN D. DINGELL,
House of Representatives
Washington, DC.

DEAR CHAIRMAN DINGELL: My letter to you today is to urge you to support the Medicare/Medicaid prescription drug benefit as established by the Medicare Modernization Act of 2003 (MMS) and to oppose efforts to repeal the non-interference provision. All of our feedback from patients is that the current program is working well and that they are satisfied. I am deeply concerned that efforts to give the government responsibility for negotiating drug prices will ultimately lead to a loss of choice and access for patients with serious, disabling autoimmune diseases.

The American Autoimmune Related Diseases Association (AARDA) is the only national organization dedicated to addressing the problem of autoimmunity—the major cause of chronic illness. AARDA is dedicated to the eradication of autoimmune diseases and the alleviation of suffering and the socioeconomic impact of autoimmunity through fostering and facilitating collaboration in the areas of education, research, and patient services in an effective, ethical and efficient manner.

As a group, Medicare/Medicaid beneficiaries are particularly vulnerable to the devastating personal and financial effects of autoimmune diseases. Disabling autoimmune diseases can significantly diminish the quality of life and it can entail thousands and thousands of dollars in treatment costs over the course of the illness. For most autoimmune disease sufferers, prescription drugs are the chief and best source of treatment, particularly as newer medications, such as monoclonal antibodies, have been developed that not only work better, but can inhibit the progression of diseases such as rheumatoid arthritis.

The Medicare/Medicaid prescription drug benefit has been a godsend for thousands of disabled persons struggling with autoimmune-related chronic illnesses. For the first time, they are able to achieve substantial savings on their treatment costs. Even with the so-called ''doughnut hole,'' beneficiaries are saving an average of $1,200 per year.

Of even greater concern than the costs involved, however, is the likelihood that turning negotiations over to the government will reduce patient access to a wide variety of medications, particularly the newest and most effective medications. Autoimmune disease patients who were with the Veterans' Plan have opted-out because of the difficulties in obtaining the drugs they need.

The program currently provides Medicare/Medicaid beneficiaries with a choice of plans, enabling them to select the coverage that best meets their needs. For someone with a chronic autoimmune disease, access not just to medication, but to the right medication, is critical. Just as the same autoimmune disease will afflict each individual in a unique way, the same medication will have varying degrees of effectiveness for each patient. Two people with rheumatoid arthritis, multiple sclerosis, or lupus, for example, can take the same medication and have completely different experiences. That is one key reason the element of choice is such a crucial component of the Medicare/Medicaid prescription drug program: Beneficiaries are better assured they can select a plan that will cover medication they and their physician have determined is best for them—rather than being limited to the medications the government may decide to cover. Congress should not do anything that would undermine the success of the program and its benefits for seniors and disabled persons. I believe that repealing the noninterference provision would do just that.

I have seen firsthand the dramatic difference the Medicare/Medicaid prescription drug benefit is making in the lives of people with autoimmune diseases. This program is a bright example of a government effort that works, and works well. I again urge you to support, protect, and expand it, and oppose any measures (particularly government interference in price negotiations) that would limit its potential to help Medicare beneficiaries and improve their lives.

Thank you for taking the time to consider the concerns of AARDA and its members. I look forward to hearing from you regarding this issue.

Sincerely,

VIRGINIA T. LADD,
President and Executive Director.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER), a distinguished member of the Ways and Means Committee.

Mr. WELLER of Illinois. I thank the gentleman from Michigan for yielding me time.

Mr. Speaker, I rise today in opposition to H.R. 4. Clearly this legislation is a solution in search of a problem, an example of politics prevailing over good policy, and frankly one of my disappointments as a member of the Ways and Means Committee is it was a bill rushed to the floor without hearings and without action in the Ways and Means Committee. I believe that is a bipartisan concern for all of us today.

If you look at the record, the system set up in the Medicare Modernization Act used the power of competition, and it has been successful. Competition is working. Today, a senior's average monthly premium for their prescription drug plan is only $22 a month, down from $23 this past year. My own parents were expecting a $35 a month premium. Today they are enjoying that $22 a month premium and seeing real savings. I note that seniors across the board are seeing real savings. There are 23 drug plans in the district I represent that have a zero premium for low-income seniors. There are 34 drug plans in the district I represent with zero deductible. And on average, in the 11th Congressional District of Illinois, seniors are saving an average of $1,200 over their previous medicine expenses because of Medicare part D. It is working. At the same time, seniors have more choices. We have seen a 13 percent increase in the number of medications they have available, again because of Medicare part D. That is why 80 percent of seniors say they like Medicare part D. They like the plan they have. That is why so many are concerned about those who want to have the government interfere in the health of our seniors, who want to get the government into our medicine cabinets.

My Democrat friends claim that this legislation will repeat practices used by the Department of Veterans Affairs, but if you look at the record, not only is that approach harmful to Medicare beneficiaries, it has been harmful to our veterans. Every time Congress has enacted pharmaceutical price control legislation, the Veterans' Administration has experienced significant increases in its pharmaceutical costs. That is why groups like the Military Order of the Purple Heart and the American Legion have said H.R. 4 is not in the best interest of America's veterans and their families. That's right. Let's join our veterans' organization and vote ''no'' on H.R. 4.

Mr. STARK. Mr. Speaker, before recognizing the next speaker, I would like to concur with the remarks of the gentleman from Illinois. Many of us on this side of the aisle shared his concern with the rapidity with which we had to bring this to the floor. I want to commend both the ranking member and the chairman of the Ways and Means Committee as well as the ranking member of the Health Subcommittee for attempting to have as much time as we could for Members on both sides of the aisle to work on this bill before its coming to the floor today, but I do concur with his statement.

Having said that, I would like to recognize the gentleman from Connecticut (Mr. COURTNEY) for 1 minute.

Mr. COURTNEY. Mr. Speaker, in 1991, as chairman of the Connecticut House Human Services Committee, I brought out to the floor of the Connecticut Assembly legislation which created a manufacturer's rebate for the State's Medicaid and Connpace prescription drug programs that provide coverage to seniors. The rebate gave the State an 11 percent discount off the average wholesale price of medications purchased by Connecticut. At the time we heard all the same arguments in opposition that are being used today, that rebates were price controls, they stifle R&D, that the State would be left with a restrictive formulary denying needed medications for the elderly. We went ahead and passed that bill, and I can say with pride today that this measure has saved Connecticut taxpayers tens of millions of dollars yearly and resulted in no, I repeat no, harm to Connecticut's seniors or the State's pharmaceutical industry.

I point this history out not to pat myself on the back, although I am proud of that legislation, but rather to confirm that H.R. 4's plan for price negotiations is not just a theory but, rather, legislation that is grounded in real life, empirical, successful experience.

For those of us who have fought this battle at the State level, this debate is like Yogi Berra's ''deja vu all over again.'' For the fiscal health of Medicare and for the physical health of our seniors, let's vote for H.R. 4.

Mr. CAMP of Michigan. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in strong opposition to this legislation which I would suggest is simply a politically motivated attempt by some to punish a vital, particularly American industry.

I come from a State that celebrates thousands of discoveries by pharmaceutical researchers for treatments and cures for debilitating illnesses such as heart disease, juvenile and adult diabetes, Alzheimer's, Parkinson's and HIV that really affects the lives of millions of men, women and children. I am very supportive of an industry that directly employs over 70,000 of our State's residents and nearly half a million Americans nationwide. They don't need to be punished nor have their lives, their livelihoods controlled by Big Brother.

This proposal will drive jobs out of my State and our Nation to Europe, the Pacific Rim, to China and India. Instead of protecting American ingenuity, this proposal will stifle innovation and be a death knell for profound medical research advances that were unthinkable a decade ago and which we now stand on the threshold of achieving.

Mr. Speaker, what is more important, the Medicare drug benefit is working. The best way to foster innovation, keep prices low and, most importantly, ensure seniors have access and choices for their medicines is through competition. Competition works.

Mr. Speaker, I rise in strong opposition to this legislation, which I would suggest, is simply a politically motivated effort by the Some to punish a vital, particularly American industry.

Coming from a State that celebrates thousands of discoveries by pharmaceutical researchers for treatments and cures for debilitating illnesses such as heart disease, juvenile and adult diabetes, Alzheimer's, Parkinson's, and HIV that really affect the lives of millions of men, women, and children, I am very supportive of an industry that directly employs over 70,000 of our State's residents and nearly half a million Americans nationwide.

This legislation makes not only drug manufacturers, but also may I add, our local pharmacists and their drug dispensing fees, subject to government price controls, endangering the very research and development that makes my State the ''Medicine Chest'' of the world.

This proposal will drive jobs out of my State and our Nation to Europe, the Pacific Rim to India and China. Instead of protecting American ingenuity, this proposal will stifle innovation and be a death knell for profound medical research advances that were unthinkable a decade ago and which we now stand on threshold of achieving.

And, what is far more important, my colleagues, the Medicare Drug benefit is working. Nearly 20 million seniors who previously had no coverage at all now have access to comprehensive prescription drug coverage. The average senior is saving $1,200 a year on their prescriptions and 9 milion low-income seniors pay nothing for drug coverage. Half a million seniors who never had coverage in New Jersey now have it.

For the past year, we have heard politically inspired promises from my Democratic colleagues that they would introduce legislation to close the Medicare "donut hole" for the few seniors who fall into it. To achieve this goal I have heard over and over again from my colleagues on the other side that the Veterans Administration system should serve as a national model for lowering prices. However, as most know, the VA decides which drugs patients receive. Patients do not have a choice and neither do their physicians.

I would then ask my colleagues to point to the provision in this legislation that sets aside funds to fill the donut hole for those seniors. However, no one can show me this provision because no such provision exists. Filling the donut hole carries a price tag of at least $450 billion and this bill will not produce anywhere close to that kind of savings.

Actuarial experts from both the Congressional Budget Office and outside, independent groups have stated that there is no ability to negotiate lower prices without the government approving and rejecting which drugs a physician can prescribe a patient.

Like Hugo Chavez in Venezuela, the new majority heads in the direction of nationalizing drug companies, establishing price controls, devaluing patents, and disemboweling critical research and development.

Mr. Speaker, the best way to foster innovation, keep prices low and ensure seniors have access and choices for their medicines is through competition. Competition works.

Mr. Speaker, I urge a "no" vote on this bill.

Mr. STARK. Mr. Speaker, I am delighted to recognize the distinguished gentleman from Illinois (Mr. HARE) for 1 minute and comment that, before joining us, he served for 24 years as Mr. Lane Evans' district director, a man who is known on both sides of the aisle for his support for veterans' issues.

Mr. HARE. I thank the gentleman for yielding.

Mr. Speaker, recently I was at a pharmacy in my district. A man in his late seventies went to the counter to pay for his prescription and found that he had hit the donut hole. The prescription was $350. The people that were there with him passed the hat, and we collected $350. It was enough to pay for 5 days of medication for this man. For him and for the countless other seniors in my district, I rise today in strong support of H.R. 4, the Medicare Prescription Drug Negotiation Act. H.R. 4 would require the Department of Health and Human Services to negotiate with pharmaceutical companies for lower drug prices for Medicare beneficiaries.

□ 1300

Estimates indicate that drug prices would go down by 35 percent by the year 2025, and lower prices would prevent millions of seniors from paying out of pocket for their medications.

Fighting for affordable health care is the reason that I ran for Congress, and I start that fight today by voting for H.R. 4.

Mr. CAMP of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to H.R. 4, which would provide less choice and no savings. I think my friends on the other side of the aisle failed to mention some of the negative aspects of the veterans drug plan, which they are now highlighting as a model for government negotiation.

I know they haven't highlighted the fact that many widely used drugs, including Lipitor, the most widely used drug in America, isn't even available through the VA plan. I wonder if my friends on the other side of the aisle are prepared to tell their seniors why they can't get Lipitor.

Are they prepared to tell them they can't go to their local pharmacy, but have to go to a VA pharmacy, which could be hundreds of miles away, or they have to order their drugs through the mail? I wonder why one-third of the veterans have already moved to the part D plan.

Personally, I know my seniors would want to be able to choose a drug plan that gets them the best deal for the drugs they use. They don't want to be locked into a one-size-fits-all plan that

doesn't cover their drugs, especially since the CBO says it won't save them any money.

Mr. Speaker, I urge opposition to this bill.

Mr. Speaker, I rise in opposition to H.R. 4, which would provide less choice and no savings.

This morning, as I reviewed all of the letters of support and opposition on this bill, I was struck by the lack of patient group support for this legislation. I could not find a single letter from the American Cancer Society, any diabetes group, or the American Heart Association supporting government negotiation under Medicare Part D.

What I did find was a letter from the Alliance for the Mentally Ill of Greater Chicago, in opposition to the bill, which I think represents the views of all these groups.

It states, and I quote, ''To date, government interventions in prescription medication pricing, at the federal and state levels, have resulted in policies restricting access to medications.''

Mr. Speaker, I ask unanimous consent that the full text of this letter be included in the RECORD.

In addition, I think my friends on the other side of the aisle have failed to mention some of the negative aspects of the Veterans Drug Plan they are now highlighting as the model from government negotiation. I know they haven't highlighted the fact that many widely used drugs—including lipitor, the most used drug in America—aren't even available through the VA Plan. I wonder if my friends on the other side of the aisle are prepared to tell their seniors why they can't get their lipitor or why they need to fail on a less costly drug first. Are they prepared to tell them that they can't go to their local pharmacy or that they need to order their drugs through the mail?

Personally, I know my seniors want to be able to choose a drug plan that gets them the best deal on the drugs they use. They don't want to be locked into a one-size-fits-all plan that doesn't cover their drugs.

And then there is the other issue nobody on the other side of the aisle wants to talk about. According to the Congressional Budget Office, the legislation we are considering today won't save seniors any money and won't save the government any money. So why should seniors give up their drug coverage if it won't even save them money?

Mr. Speaker, I oppose this legislation because it threatens to limit the drug choices of America's seniors without saving them or the government any money. Currently, there are 54,575 seniors in my district that utilize the Medicare Part D program, and they save on average $1,200 a year. Costs to seniors are already less than originally projected and they are expected to fall further. Let's let the program continue to work.

Mr. STARK. Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE) for the purpose of a unanimous consent request.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise today in strong support of H.R. 4, the ''Medicare Prescription Drug Negotiation Act of 2007,'' a bill that will require the government to negotiate for lower drug prices for Medicare beneficiaries and people with disabilities in the Medicare program.

Mr. Speaker, I would like to pay special tribute to my good friend, Chairman JOHN DINGELL, for his lifetime of devoted service to the cause of affordable health care for all Americans. I also thank the Democratic leadership, led by Speaker PELOSI, making affordable prescription drugs for Medicare beneficiaries a central issue in the last election, which saw the voters return the Democrats to the majority in this chamber for the first time in twelve years. Democrats promised to chart a new direction for America if given the chance to lead. Today, we take another giant step toward fulfilling that promise.

Mr. Speaker, under the current law, which was passed in the dead of night with little time for members of Congress to review the hundreds of pages of text involved in such a complex proposal and was written largely by and for the pharmaceutical industry, Medicare is explicitly prohibited from negotiating lower prices. It is past time for Congress to repeal this provision and put the needs of the American people before those of special interests.

Allowing the government to negotiate for lower prescription drug prices puts the interests and well-being of ordinary Americans first by making health care more affordable for Medicare beneficiaries, who include millions of our country's most vulnerable citizens, seniors and individuals with disabilities. Our seniors and individuals with disabilities should not be forced to choose between buying medications and paying for rent or food. Lower prescription drug prices could go a long way to eliminate this Hobbesian choice.

The ability to negotiate the cost of prescription drugs purchased through the Medicare program also will generate tremendous savings to the taxpayers. We have a duty to the taxpayers to get the best return on their hard-earned money, especially on costly pharmaceuticals for which the federal government facilitates purchases in such large quantities.

Drug prices under the Medicare prescription drug plan are more than 80 percent higher than prices negotiated by other agencies in the federal government and more than 60 percent higher than prices in Canada. In 2007, many beneficiaries in private drug plans will see their premiums increase by an average of ten percent, and some premiums will rise more than six-fold if they stay in the same plan.

We cannot afford to stay with the same faulty plan but must change direction to reflect the will of the American people. The American people overwhelmingly support having the Secretary of HHS negotiate for lower prescription drug prices on behalf of Medicare. The bill also has the support of a number of organizations including the AARP, the National Committee to Preserve Social Security and Medicare, the Consumer's Union, the AFL–CIO, and Families USA.

We have heard the voice of the American people and we must not ignore our duty to act in their best interests. Allowing the federal government to negotiate for lower drug prices for Medicare beneficiaries is merely a start to our fulfilling that duty.

Mr. Speaker, the Medicare Prescription Drug Negotiation Act of 2007, represents a win-win situation. Medicare beneficiaries will be able to obtain needed prescription drugs at prices they can afford and the taxpayers will get a greater return on their dollars by taking advantage of economies of scale. I urge all members to vote for H.R. 4, which will enable the federal government to negotiate for lower drug prices for Medicare beneficiaries.

Mr. STARK. Mr. Speaker, I am delighted to yield 1 minute to the gentleman from Pennsylvania (Mr. ALTMIRE), one of the cosponsors and co-authors of the bill.

Mr. ALTMIRE. Mr. Speaker, I rise today in strong support of this bill, which gives the HHS Secretary the ability to negotiate group discounts with drug companies.

I have to admit that I am amazed that we are even having this debate. How could anyone possibly oppose negotiating group discounts to reduce the cost of prescription drugs for Medicare beneficiaries? We already do it in the VA, and it has worked. Why not allow Medicare beneficiaries the same savings? I can't believe anyone would oppose such a measure. I find it absurd that Congress would prevent a Federal agency from exploring ways to reduce costs for seniors and save the American taxpayers money.

The truth is, Mr. Speaker, that this bill would lower the cost of prescription drugs for seniors and save money for the American taxpayers. I urge my colleagues to side with our Nation's Medicare beneficiaries and support this bill.

Mr. CAMP of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. Mr. Speaker, I rise with great concern. I rise with great concern about H.R. 4, which actually removes the negotiating process from the private sector and places it in the public sector. I rise with concern because H.R. 4 will not reduce prices. It will reduce choice. I also rise with concern because our current premiums are actually 42 percent lower than expected.

Mr. Speaker, the private sector is doing well in this, and I don't think we should tamper with that. Should one have to forfeit their personal choices to the lowest bidder?

As a representative of the great State of Nebraska, I rise in concern over H.R. 4. There are 208,040 Medicare prescription drug beneficiaries in the third district which I represent. Everyone wants to make sure that seniors get the prescription drugs they need at the lowest possible price. But, H.R. 4 will not reduce their prices, it will reduce their choices. The government should not be choosing one drug over others.

According to estimates by actuaries in the Congressional Budget Office and the Department of Health and Human Services, H.R. 4 would not provide substantial savings to the government or Medicare beneficiaries. The reality is that with market based principals governing Medicare Part D, premiums are actually 42 percent lower than expected levels.

I disagree with H.R. 4 in a fundamental philosophical way. H.R. 4 would have the government making decisions for consumers. The government would end up picking one drug over others.

I believe that doctors and patients should consult with each other on what medications will best address patients' needs.

I urge my colleagues to vote against H.R. 4. Constituents of Nebraska's Third District and throughout the United States deserve to have their doctor's choices of prescription medication protected. Should one have to forfeit their personal choices to the lowest bidder?

Mr. STARK. Mr. Speaker, I yield to the gentleman from North Carolina (Mr. ETHERIDGE) for the purpose of a unanimous consent request.

(Mr. ETHERIDGE asked and was given permission to revise and extend his remarks.)

Mr. ETHERIDGE. I thank the gentleman, Mr. Speaker, and I rise in support of H.R. 4.

Mr. Speaker, nearly 4 years ago, I voted against the legislation that created Medicare Part D when the then-Republican Majority passed it in the dead of night.

I rise today in support of H.R. 4 to correct one of its most fundamental flaws. H.R. 4 would simply remove the provision of law that prohibits the U.S. Secretary of Health and Human Services from negotiating the price of prescription drugs to lower costs for Medicare beneficiaries. I have never supported price fixing or rationing, and I am confident that this legislation is a good first step toward more comprehensive Medicare reform.

Mr. Speaker, many of my constituents work at America's pharmaceutical manufacturing companies, and I think it is important to take note of the many contributions these employers make to the betterment of our communities. Indeed, many of the biotechnology firms in North Carolina are among our best corporate citizens, providing employment opportunities, investing in America's health and well-being, growing the local tax base, providing essential services to our neediest constituents and giving back to our communities.

For example, GlaxoSmithKline offers the free GSK Orange Card savings program to help more than 175,000 low-income seniors to save 20 percent to 40 percent off the usual price for outpatient GSK medicines. A coalition of eight companies offers the free Together Rx Card to poor and uninsured Americans, which has helped more than 1.4 million seniors to save more than $600 million on their medicines. In addition, U.S. pharmaceutical companies annually invest billions of dollars in biotechnology research to develop medicines to treat and cure terrible diseases and relieve human suffering.

Mr. Speaker, I rise in support of H.R. 4 and call on this Congress to work with the private sector as we move forward to reform Medicare to lower prices for beneficiaries while providing vital health care products and services.

Mr. STARK. Mr. Speaker, I am honored to yield 1 minute to the gentlelady from Hawaii (Ms. HIRONO), a lady for whom I serve as an honorary district representative on the island of Lanai.

Ms. HIRONO. Mr. Speaker, I thank the gentleman for yielding this time.

Mr. Speaker, I rise today in strong support of H.R. 4. Talk about an all-American concept, using our purchasing power to lower our costs, something big companies do all the time. This is why I am so pleased that one of the first pieces of legislation before us will help our seniors, our kapuna, as we say in Hawaii, lower their prescription drug costs. I am proud to say that in 2002 Hawaii enacted a law creating a similar program to allow negotiating for lower prescription drug costs.

Thousands of American families spent countless hours studying the Medicare part D process. My family was one of those. I sat with my 82-year-old mother as we worked our way through the confusing plans. Unfortunately, many of the families' efforts were not rewarded with the desired outcome, affordable prescription drugs.

America can do better for our seniors. By giving Medicare negotiating authority, we will take an important step in the right direction. Mahalo.

Mr. CAMP of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, this is a hugely important issue. I know all Members are listening intently, and I hope the American public is listening. I want to remind them what a few of my colleagues on the other side of the aisle had to say.

One of their Members earlier in the debate basically said there was a philosophic, fundamental difference between them and us. They believe that government should control health care; we believe that the private sector should do it. Amen. The private sector should do it.

Another of their Members stood up and said he couldn't believe that the current Secretary of HHS doesn't want to have the requirement of negotiated price controls. Well, I will tell you why he doesn't, because he is not a typical bureaucrat. He believes, as Ronald Reagan believed, that you need to step out of the way; government needs to get out of our lives and not be in our medicine cabinet.

Finally, the gentlelady from Nevada said if she were a betting woman, she would bet that these price negotiations would lower the price even further. Well, I want to say to her that she is betting on the last 10 percent, Mr. Speaker. This is a wonderful program, it is working well, and she is about to hang an albatross around the neck of the program and hurt our needy seniors, including my mom.

Vote ''no'' on this piece of bad legislation.

Mr. STARK. Mr. Speaker, at this time I am delighted to yield 1 minute to the gentlewoman from Ohio (Ms. SUTTON).

Ms. SUTTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, there is something wrong when we have our seniors paying record high drug prices and drug companies reporting record profits. Our seniors deserve nothing less than access to affordable medicine, which they have earned through a lifetime of hard work. This legislation helps us achieve this by opening the door for the Secretary of the Department of Health and Human Services to negotiate lower drug prices.

Twenty-two million Americans would benefit from this proposal. Ninety-two percent of Americans support us providing this negotiating authority.

Mr. Speaker, let's be clear: This proposal is intricately linked to ethics reform. Last week we enacted historic changes, and now we are putting our seniors first and removing special interests from the picture.

The minority had a chance when they were in the majority to put forth a drug bill that helped seniors with the high cost of medicine. Instead, with backroom meetings, they choose to help the drug companies increase profits.

I am pleased as a cosponsor of this bill that we act today to help our seniors and keep our commitment to put their interests first.

Mr. CAMP of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I rise in opposition to H.R. 4, the Medicare part D Government Interference Plan, which is what the Democrats have today.

Mr. Speaker, our colleagues on the other side have made it very clear: They believe that price controls will beat what the marketplace has done, and yet the Congressional Budget Office has clearly said that is not true, there would be no savings.

What would their plan do, Mr. Speaker? They talk about the important part of what the VA does. Of over 3.8 million Medicare eligible beneficiaries enrolled in the VA, over 1 million have opted to participate in part D because it provides more flexibility and choice for the drugs that they want and they need.

Only 38 percent of the drugs that were approved by the FDA in the 1990s and only 19 percent since 2000 are available on the VA formulary. The Democrats want this for our seniors.

Mr. Speaker, I believe that doctors and patients should control the medicines that are available, and I think they should be available to every single senior. We want to make sure that continues. I oppose this bill.

Mr. STARK. Mr. Speaker, I am delighted to yield 1 minute to the gentleman from California (Mr. BACA), who agrees with the National Community Pharmacists that the non-interference clause has directly disadvantaged independent pharmacies throughout the implementation of part D.

Mr. BACA. Mr. Speaker, the rising cost of prescription drugs has become a serious problem for millions of our national seniors. Forty-three million are enrolled in Medicare. In fact, more than 20 percent of seniors in Medicare are minorities: 3.9 million are African Americans, 3.1 million are Latinos, and 1.7 million are other racial and ethnic minorities. Many of them are already

on fixed income. Many of these high prices are forcing them to choose between medicine and paying for their rent or doing without something else.

What Republicans pushed through in the Medicare drug program promised to bring the drug prices down. Yet they have gone up. Yet they plan to protect the rich drug companies' profits and do not go far enough to lower these expenses that are affecting a lot of our minorities. I know firsthand because I have experienced that.

It is clear that this legislation has failed to bring down the drug prices. Giving the Secretary the authority to bargain with the drug manufacturers will result in lower costs for 22 million Medicare enrollees in part D. I ask that we support H.R. 4. This is commonsense legislation.

Mr. CAMP of Michigan. Mr. Speaker, I would include in the RECORD a letter from the Congressional Budget Office saying that CBO estimates H.R. 4 would have a negligible effect on Federal spending.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 10, 2007.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: At the request of your staff, the Congressional Budget Office has reviewed H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007, as introduced on January 5, 2007. The bill would revise section 1860D–11(i) of the Social Security Act, which is commonly known as the ''noninterference provision'' because it prohibits the Secretary of Health and Human Services from participating in the negotiations between drug manufacturers, pharmacies, and sponsors of prescription drug plans (PDPs) involved in Part D of Medicare, or from requiring a particular formulary or price structure for covered Part D drugs.

H.R. 4 would require the Secretary to negotiate with drug manufacturers the prices that could be charged to PDPs for covered drugs. However, the bill would prohibit the Secretary from requiring a particular formulary and would allow PDPs to negotiate prices that are lower than those obtained by the Secretary. The bill would also require the Secretary to report to the Congress every six months on the results of his negotiations with drug manufacturers.

CBO estimates that H.R. 4 would have a negligible effect on federal spending because we anticipate that the Secretary would be unable to negotiate prices across the broad range of covered Part D drugs that are more favorable than those obtained by PDPs under current law. Since the legislation specifically directs the Secretary to negotiate only about the prices that could be charged to PDPs, and explicitly indicates that the Secretary would not have authority to negotiate about some other factors that may influence the prescription drug market, we assume that the negotiations would be limited solely to a discussion about the prices to be charged to PDPs. In that context, the Secretary's ability to influence the outcome of those negotiations would be limited. For example, without the authority to establish formulary, we believe that the Secretary would not be able to encourage the use of particular drugs by Part D beneficiaries, and as a result would lack the leverage to obtain significant discounts in his negotiations with drug manufacturers.

Instead, prices for covered Part D drugs would continue to be determined through negotiations between drug manufacturers and PDPs. Under current law, PDPs are allowed to establish formularies—subject to certain limits—and thus have some ability to direct demand to drugs produced by one manufacturer rather than another. The PDPs also bear substantial financial risk and therefore have strong incentives to negotiate price discounts in order to control their costs and offer coverage that attracts enrollees through features such as low premiums and cost-sharing requirements. Therefore, the PDPs have both the incentives and the tools to negotiate drug prices that the government, under the legislation, would not have. H.R. 4 would not alter that essential dynamic.

I hope this information is helpful to you. The CBO staff contacts for further information are Eric Rollins and Shinobu Suzuki.

Sincerely,

DONALD B. MARRON,
Acting Director.

Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, is the question to negotiate or not negotiate? Is that the question? No, that is not the question. The question is, will the government do the negotiating, or will the private companies do it. And what will the result be?

Well, we already know. We don't have to speculate. In Alabama, we have 17 companies that have negotiated and provide over 2,000 drugs to Alabamians under the present plan. Under the VA, they negotiate and they provide less than 1,300 drugs. We have all heard about Lipitor. Look at the drugs in Alabama that VA seniors cannot get. They are the most modern drugs, they are the cutting-edge drugs, they are the drugs that most seniors want.

CBO says it won't bring down the cost, but it might inhibit the delivery of new drugs. You need to read that before you vote.

The question is not about cost; the question is about choice. And I can tell you in Alabama, with the VA, the veterans don't have the choices our seniors have.

Mr. STARK. Mr. Speaker, for the purpose of a unanimous consent request, I yield to the gentleman from Massachusetts (Mr. LYNCH).

(Mr. LYNCH asked and was given permission to revise and extend his remarks.)

Mr. LYNCH. Mr. Speaker, I rise in support of H.R. 4, to give seniors someone to negotiate on their behalf for lower-price drug prices.

We all know how in 2003, in the middle of the night, after twisting arms and making threats, Congress passed a flawed Medicare prescription drug bill. By actually forbidding the Medicare program to negotiate directly with drug companies to get the best price for seniors' prescriptions and save money, the Republican Congress simply put profits for the drug companies ahead of Medicare beneficiaries.

The medicare drug benefit actually is designed to ensure that pharmaceutical and insurance companies maximize their profits.

By prohibiting Medicare from directly negotiating drug prices with the pharmaceutical industry like the VA does, many drugs within Medicare are more than twice as high as the prices paid by the VA.

Since the industry is already making a profit at the price for which it sells drugs to the VA, the higher price paid in Medicare is pure profit for the drug industry.

That's why I encourage my colleagues to join me in supporting the Medicare Prescription Drug Price Negotiation Act.

Mr. STARK. Mr. Speaker, I yield 1 minute to the distinguished gentlelady from California (Mrs. DAVIS).

Mrs. DAVIS of California. Mr. Speaker, I rise in support of H.R. 4.

Three years ago, during the debate on the Medicare Modernization Act, I stood on this floor and told my colleagues that we can do better, that we can do better with a bill for our seniors; and today's vote will bring us one step closer to providing seniors with affordable and reliable prescription drug coverage by allowing the Health Secretary to negotiate drug prices.

As we move forward with H.R. 4, we can and we will safeguard future innovation and support lifesaving therapies befitting the 21st century.

□ 1315

Representing a district with a vibrant biotech community, I applaud the leadership's effort to ensure that our seniors have choices. This summer, one of my constituents named Judy wrote me, and I quote, ''I have reached the doughnut hole and must now come up with the money for my high blood pressure, diabetes, thyroid, and cholesterol medications.'' The question she asked is, ''which one will I stop taking? I cannot afford all of them.''

We can do better for seniors like Judy, and today, Mr. Speaker, we will.

Mr. CAMP of Michigan. Mr. Speaker, at this time I yield 1 minute to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, once again, the Democrats are telling us that somehow bureaucrats in Washington can do more to lower the cost of prescription drugs than free market competition. To paraphrase President Reagan, ''There they go again.''

The Congressional Budget Office has already opined that the Secretary of HHS would not be able to negotiate prices lower than those that are already negotiated by prescription drug plans under current law.

Let us be very clear: Price negotiations are already taking place on behalf of seniors. And for 200 years, it has been market competition, not government edict, that has given us the goods that we want at the lowest possible price.

Now, our colleagues on this side of the aisle continue to hold up the VA as the model, the model where you cannot choose your doctor, cannot choose your pharmacist, and they only cover a third of the drugs that Medicare does. They do not cover Lipitor, Crestor or Nexium.

So, Mr. Speaker, I would like to personally invite Speaker PELOSI to come

to Athens, Texas, and tell one of my constituents, 80-year-old Hazel Heard, why she is going to take her Lipitor away. Hazel will not be happy. And I am told she has a big dog.

Mr. STARK. Mr. Speaker, I am pleased to recognize the distinguished gentlewoman from Connecticut (Ms. DELAURO), who agrees with the Center for Medicare Advocacy Assessment that H.R. 4 will keep drug prices from skyrocketing. And I yield to the gentlewoman for 1 minute.

Ms. DELAURO. Every family in America, every business struggles in some way with the rising cost of health care. The key to driving those health care costs down is getting control of skyrocketing prescription drug prices. It starts with negotiating better prices on behalf of Medicare beneficiaries, something the previous majority expressly and senselessly prohibited when the Medicare prescription drug law was passed in 2003.

Now, this legislation is not about establishing formularies, setting price controls, or picking and choosing on behalf of seniors. It is about empowering the government to act on behalf of consumers and seniors. And, yes, that is a proper role for government, particularly when we have drug companies reporting double-digit profit increases while raising prices on top-selling medicines.

We can get our health care crisis under control. Allow government to negotiate drug prices as private insurance plans do for their customers and the VA does so successfully for our Nation's veterans.

Support this bill. Let us for a change do something for the public interest rather than continually doing something for the special interests.

Mr. CAMP of Michigan. Mr. Speaker, at this time I yield 1 minute to the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I thank the gentleman for recognizing me.

Today, I rise in opposition to H.R. 4. When I first ran for Congress, this was one of the largest issues, prescription drug plans, for seniors. Sixty percent of the senior women in America are on Medicare right now, and they have available to them a prescription drug plan that they have never had in the past. Congress delivered this plan, and people in my district are pleased. Over 80 percent of the seniors on part D are pleased with this plan, and 91 percent of West Virginia seniors are now participating.

The prescription drug plan is one of the rare government programs that is actually costing less than anticipated, both for the government and for the seniors. One reason is that seniors have access to the drugs and pharmacy of their choice. Yet, today, my colleagues on the other side appear to be willing to sacrifice that access to their drugs and their pharmacies.

Yesterday, the Director of the West Virginia Chapter of the American Diabetes Association wrote and asked that I personally oppose this legislation because of its potential to decrease access to important medications for such diseases as diabetes, one of the most deadly and far-reaching diseases in this country.

I oppose this. I think it will result in higher prices for our seniors.

Mr. STARK. Mr. Speaker, I am delighted to yield our remaining 1 minute to the gentlewoman from Ohio (Mrs. JONES) to close for our side. She recognizes that the Center for Diabetes is a front group for PhRMA.

Mrs. JONES of Ohio. Mr. Speaker, I am pleased to stand on behalf of the Democratic majority in the House of Representatives this afternoon to say we are going to pass a prescription drug change in the benefit given to seniors last year. And it is not going to take us 3 hours and any arm twisting, because this is our opportunity to say to seniors across this country that you ought to have your Secretary of Health and Human Services be able to negotiate the lowest price.

Right now it is going great, but we need to put in place in the law an opportunity for the Secretary to make a change when the winds of time change, because they will change. It is important that our seniors understand that they do have a benefit, but the benefit can be improved.

It is always interesting to me that they dump on the Veterans' Administration when they want to tout it all the time as not a good health care plan. If it ain't a good health care plan for the veterans, change it. Make it better for the veterans. They are over there fighting and losing their lives.

A prescription drug benefit is such a significant opportunity for our seniors, and so I am glad to stand on behalf of all the Democrats and those goodthinking Republicans in the House of Representatives. Pass H.R. 4.

Mr. Speaker, I rise today in strong support of H.R. 4, which will require the Secretary of Health and Human Services to negotiate for lower drug prices for people enrolled in Medicare prescription drug plans.

As drug prices soar, this issue is becoming more important for Medicare recipients and their families.

According to a recent AARP study, between 2002 and 2005, prices for the most widely used brand-name prescription drugs increased an average of 6.6 percent per year.

That is more than twice the 2.5 percent average inflation rate for that same period of time.

It is not fair to expect American families to keep paying such price increases for their prescription drugs.

In my home state of Ohio, we have about 1.8 million Medicare beneficiaries who stand to benefit from the lower prices that could result if the Secretary of HHS is given the power to negotiate.

Of those 1.8 million Ohioans, 625,000 are already enrolled in Part D and would immediately see the benefits of lower drug prices.

Congress should no longer stand in the way.

We need to require the HHS Secretary to negotiate for lower drug prices and soften the health and economic burden that millions of American families currently experience.

This would not be anything new.

Right now, government-funded health programs, such as Medicaid and the Department of Veterans Affairs, are able to negotiate with drug companies and reach agreements that offer their participants low drug prices while still rewarding drug companies for the valuable research they conduct.

According to the Government Accountability Office, the VA achieves savings of between 30 and 50 percent for their patients through negotiation.

This same level of saving can also be achieved for Medicare beneficiaries.

Moreover, the result of not allowing the HHS Secretary to negotiate lower drug prices puts a disproportionate burden on senior citizens and retirees, who are those that need affordable drugs the most.

Drug companies deserve applause for the advances they have made for the good of all people, but we also owe it to the American people to ensure they receive the medication they need at a fair price.

With rising health care, housing, and energy costs, a decrease in drug prices would go a long way to helping middle class Americans meet their needs.

Support H.R. 4.

Mr. CAMP of Michigan. Mr. Speaker, for the purposes of a unanimous consent request, I yield to the gentleman from Florida.

(Mr. YOUNG of Florida asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Speaker, as we conclude debate this afternoon on H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007, I want to include for the benefit of my colleagues today's editorial from my hometown newspaper The St. Petersburg Times that warns the House to be careful with the passage of this legislation.

In Rx: dose of reality, the editors say ''that Democrats should walk away from this fight. House Democrats may think they can heal the Medicare drug program in one easy congressional dose, but their Senate counterparts are wise to take more time. Seniors have had enough of empty political promises already. They deserve affordable coverage.''

Indeed, I support making prescription drugs more affordable for all Americans, and in particular older Americans who are enrolled in the Medicare Part D program. If this legislation did that, I would be the first to support it. But as the editorial I have cited as well as the nonpartisan Congressional Budget Office has found in analyzing H.R. 4, this bill will result in no meaningful savings to consumers or to taxpayers.

Following my remarks, I will include a letter from the Congressional Budget Office dated January 10, 2007 which says that H.R. 4 would have a ''negligible effect'' on federal spending and drug prices because the federal government would not have the authority required to negotiate lower drug prices. The primary reason the Congressional Budget Office found is that ''without the authority to establish a formulary, we believe that the Secretary

would not be able to encourage the use of particular drugs by Part D beneficiaries, and as a result would lack the leverage to obtain significant discounts in his negotiations with drug manufacturers.''

If, in fact, this legislation had given the Secretary of Health and Human Services the authority to limit the availability of certain prescription drugs or even broad classes of prescription drugs, I also would have opposed it. Doctors should determine the best medicine for their patients, not Congress or the Secretary of Health and Human Services.

Mr. Speaker, there may have been a way to amend this legislation to solve some of these problems so we could have achieved the goal of lower drug prices while at the same time not limiting the range of covered drugs. However, under the procedures we consider this legislation today, there is no opportunity to amend this bill. We only have the option of voting yes or no. Given that option, I believe the best vote today is against H.R. 4 with the hope that we can reject this bill and send it back to the committee with the goal of fixing some of the flaws identified by The St. Petersburg Times and the Congressional Budget Office.

[From the St. Petersburg Times, Jan. 12. 2007]

RX: DOSE OF REALITY

Democrats who thing they've found a simple fix for the nation's costly, convoluted Medicare prescription plan need to be careful. They are entering a pharmaceutical quagmire full of restrictive formularies, big-ticket coverage gaps and institutional resistance.

The fight is a worthy one, and the precipitous veto threat by President Bush only underscores the stakes. But Democrats won't win with campaign rhetoric. The bill set to move through the U.S. House today provides little more than an edict that the secretary of health and human services ''shall negotiate'' lower drug prices, as though the government itself is the one buying. Unfortunately, drugs are bought and dispensed under the 2003 Medicare law by a maze of some 1,875 private drug plans.

The Democratic plan is, at best, incomplete. The current law does, absurdly, outlaw any negotiation of drug prices, which has the principal effect of fattening pharmaceutical bank accounts. But the kind of savings the Department of Veterans Affairs has been able to negotiate for its prescription drugs is not merely the result of its collective bargaining power. The VA, which filled some 120-million prescriptions last year, also restricts the kinds of medicines that are available to patients.

As James R. Lang, former president of Anthem Prescription Management, told the New York Times: ''For this proposal to work, the government would have to take over price negotiations. It would have to take over formularies. You cannot do one without the other. There's no leverage.''

Democrats are not being honest about the tradeoffs, and the possible need for some restrictive formularies to help reduce costs. They are also offering a misleading pledge to eliminate the so-called ''doughnut hole.'' To save money, Republicans created a peculiar gap in coverage that nabbed as many as 4-million seniors last year. Under the coverage gap, Medicare recipients pay 100 percent of drug costs each year after the total has reached $2,400 until they pay an additional $3,850 out of pocket.

During the midterm elections, House Speaker Nancy Pelosi was among the prominent Democrats promising that the savings from lower drug prices would be plowed back into the program. ''We will use that money to fill the doughnut hole,'' she said at one campaign stop, ''so that seniors will have affordability, they will have reliability, and will not be caught in this trap of the doughnut hole.''

The Congressional Budget Office has projected, however, that eliminating the coverage gap would cost roughly $450-billion over 10 years. Few, if any, Democrats are now claiming those new costs can be offset purely by savings from price negotiation. An estimate of drug price reductions prepared by Rep. Henry A. Waxman, D-Calif., pegged the 10-year savings at roughly $96-billion.

The point here isn't that Democrats should walk away from this fight. The current Medicare prescription plan is indeed incomplete, needlessly complex and indefensibly profitable to the pharmaceutical industry. But the plan is also in effect and generally well-received by many seniors. Problems of this magnitude won't be fixed just by ordering a Bush administration bureaucrat to negotiate.

House Democrats may think they can heal the Medicare drug plan in one easy congressional dose, but their Senate counterparts are wise to take more time. Seniors have had enough empty political promises already. They deserve affordable coverage.

Hon. JOHN D. DINGELL,
Chairman,
Committee on Energy and Commerce,
U.S. House of Representatives,
Washington, DC

DEAR MR. CHAIRMAN: At the request of your staff, the Congressional Budget Office has reviewed H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007, as introduced on January 5, 2007. The bill would revise section 1860D–11(i) of the Social Security Act, which is commonly known as the ''noninterference provision'' because it prohibits the Secretary of Health and Human Services from participating in the negotiations between drug manufacturers, pharmacies, and sponsors of prescription drug plans (PDPs) involved in Part D of Medicare, or from requiring a particular formulary or price structure for covered Part D drugs.

H.R. 4 would require the Secretary to negotiate with drug manufacturers the prices that could be charged to PDPs for covered drugs. However, the bill would prohibit the Secretary from requiring a particular formulary and would allow PDPs to negotiate prices that are lower than those obtained by the Secretary. The bill would also require the Secretary to report to the Congress every six months on the results of his negotiations with drug manufacturers.

CBO estimates that H.R. 4 would have a negligible effect on federal spending because we anticipate that the Secretary would be unable to negotiate prices across the broad range of covered Part D drugs that are more favorable than those obtained by PDPs under current law. Since the legislation specifically directs the Secretary to negotiate only about the prices that could be charged to PDPs, and explicitly indicates that the Secretary would not have authority to negotiate about some other factors that may influence the prescription drug market, we assume that the negotiations would be limited solely to a discussion about the prices to be charged to PDPs. In that context, the Secretary's ability to influence the outcome of those negotiations would be limited. For example, without the authority to establish a formulary, we believe that the Secretary would not be able to encourage the use of particular drugs by Part D beneficiaries, and as a result would lack the leverage to obtain significant discounts in his negotiations with drug manufacturers.

Instead, prices for covered Part D drugs would continue to be determined through negotiations between drug manufacturers and PDPs. Under current law, PDPs are allowed to establish formularies—subject to certain limits—and thus have some ability to direct demand to drugs produced by one manufacturer rather than another. The PDPs also bear substantial financial risk and therefore have strong incentives to negotiate price discounts in order to control their costs and offer coverage that attracts enrollees through features such as low premiums and cost-sharing requirements. Therefore, the PDPs have both the incentives and the tools to negotiate drug prices that the government, under the legislation, would not have. H.R. 4 would not alter that essential dynamic.

I hope this information is helpful to you. The CBO staff contacts for further information are Eric Rollins and Shinobu Suzuki.

Sincerely,

DONALD B. MARRON,
Acting Director.

Mr. CAMP of Michigan. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia (Mr. PRICE).

Mr. PRICE of Georgia. Mr. Speaker, you know, negotiation sounds good, but what happens when the government negotiates? It doesn't mean negotiate; it means price-fixing, the setting of prices decided by the government. That is the only thing that will be allowed. This will, by its very design, decrease the number of medications available to seniors and ultimately to all Americans.

This isn't just about Medicare's prescription drug program. This is a philosophical question about who ought to be making medical decisions, government bureaucrats or patients and physicians. We believe, as a matter of principle, it ought to be patients and physicians.

Mr. CAMP of Michigan. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this noninterference language that we have been talking about, that has been in legislative proposals for both Democrats and Republicans for the last decade, actually stops the Secretary of Health and Human Services from negotiating drug prices. And the reason that this has been part of bipartisan legislation for so long and was actually a part of the motion to recommit in 2000 that more than 200 Democrats voted for is because it was important to structure a plan that allowed beneficiaries to work with their doctors, not with the government, to determine the best access to treatment and the best treatment that worked for them. That is why you have seen so many coalitions come out against this proposal, particularly those that work with the most vulnerable of the Medicare beneficiaries.

I would urge a ''no'' vote on H.R. 4.

Mrs. EMERSON. Mr. Speaker, 80 million baby boomers are getting ready to retire, and yesterday the General Accountability Office's comptroller David Walker said, ''If there is one thing that is going to bankrupt America, it is health care.'' Adding that the Medicare

prescription drug benefit alone has added $8 trillion, $8 trillion in government obligations, more than all of Social Security over the past 6 years.

I would like to remind my friends that this is government obligation because Medicare is a government-run program. It is not a private-sector program.

But H.R. 4, Mr. Speaker, won't create price controls, it will not limit choice, and it will not force pharmacies out of business, which is why the National Community Pharmacists Association endorses H.R. 4. It could add more competition, more opportunity to lower drug costs for our seniors, keeping them out of the doughnut hole just a little while longer.

Let us not solely entrust the negotiations of drug prices, Mr. Speaker, to the very companies who profit from the sales of these drugs. The American public has entrusted us with their hardearned tax dollars. Let us show them that we honor that trust and use every tool possible to lower the costs of the Medicare prescription drug program.

Each of us was elected, Mr. Speaker, to represent our constituents, not big PhRMA, not the pharmacy benefit managers who prey on our community pharmacists. Support H.R. 4 and bring more competition to this position.

The SPEAKER pro tempore. The Chair would advise that at this time all time has expired for the previous managers. We are now back to the gentleman from Michigan (Mr. DINGELL) with 5 minutes remaining and the gentleman from Texas (Mr. BARTON) has 4 minutes remaining.

Mr. BARTON of Texas. Mr. Speaker, may I inquire as to who has the right to close?

The SPEAKER pro tempore. The gentleman from Michigan will have the right to close.

Mr. BARTON of Texas. Mr. Speaker, I yield myself such time as I may consume to close for the minority side.

Mr. Speaker, I am not sure where the Majority Leader's clock is, whether we are at the end of the 100-hour period or the beginning or the middle. I do know that I have been very confused by this process.

I understand the effort to bring the minimum wage bill back to the floor. Our new majority, for whatever purpose, didn't feel like they got a fair shake on that issue in the last several Congresses. So I can understand that.

The stem cell bill we voted on yesterday is the identical bill from the last Congress, with the exception of the change in the dates and the reversal of the names from Castle-DeGette to DeGette-Castle. I understand that. I even voted with the new majority on that one.

But on this one I am puzzled. We have a program that is working. We have a program that has 75 percent approval of the group we are trying to help, which is higher than most of our approvals in our congressional districts and certainly higher than most of our reelection rates. We have a program that the new majority even admits isn't going to really save any money. We certainly have an issue that there have been no hearings on and there have been no amendments made in order.

In fact, we don't even have a Rules Committee yet established. If my good friend Mr. DINGELL said, Mr. BARTON, I will support you on that amendment, there is no place to amend it. We are operating under martial law, and maybe they did it this way in the war between the States; I don't know. I can tell you that in the 12 years that I was in the majority, we always had a Rules Committee you could go to. Now, maybe you didn't get your amendment made in order, but at least you could go to it. So this one is a puzzlement to me.

Now, we know that the President has promised to veto this if it should somehow get through the Senate in its current form and come to his desk.

□ 1330

In all likelihood it will never come out of the Senate, so this as far as it is going to get. So maybe that is what this is all about is just a political exercise. And I know, and everybody in this Chamber knows, when it comes to the vote, the new majority is going to win. They should win. They won an election. They have a right to bring issues and they have a right to win some. But that doesn't mean it is right and that it is going to be a win for the American people.

I hope that once we get this foolishness out of the way, that Mr. RANGEL and Mr. DINGELL and myself and Mr. MCCRERY can work together as the leaders of the Energy and Commerce Committee and the Ways and Means Committee on a bipartisan basis, actually hold some hearings. If there is really something wrong with the current Medicare part D prescription drug benefit program, let's work together to fix it. But if there is really not anything wrong with it, and it ain't broke, there will be no need to fix it.

So I hope that we vote this down today. I am not myopic, though. I can count how many Democrat votes there are and how many Republican votes. So it will probably pass, and it will probably go to the Senate and it will probably die there, which will be a nice benign death. And then we can get back to being responsible.

So, Mr. Speaker, I hope that the bill fails today and that the Democrat 100-hour political program fizzles, and then in the next 2 weeks we get down to the serious, bipartisan business of working together for the American people.

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

Mr. DINGELL. Mr. Speaker, I yield myself the balance of our time over here.

Mr. Speaker, I can understand how my Republican colleagues are distressed about this legislation. But I would remind them, first of all, that we are simply taking steps to correct earlier abuses of the most outrageous sort.

This legislation part D was crafted in the dark of night, and it was done by Republican Members and by lobbyists for the insurance companies and the pharmaceutical houses. That is why it is here. And now I can understand why my Republican colleagues are so distressed, because we are going to take all of those wonderful goodies away, or some of them, from the drug houses that so carefully saw that they got them without a single Democratic Member appointed by our then-Republican Speaker to appear here in the Capitol to address the question of what went into that.

Now, we have been getting a lot of excuses from our Republican colleagues. They tell us the bill is working well. Simple fact of the matter is it is not. One Federal program pays 60 percent more than other Federal programs for procurement of prescription pharmaceuticals, that is, part D pays more than the VA pays for the same prescription pharmaceuticals. But the reason is no one is able to negotiate on behalf of the citizens. You have got a bunch of good-hearted or cold-hearted prescription pharmaceutical people who have written this legislation and who are fixing the prices that are paid by senior citizens.

This says that the Secretary of HHS, a servant of the American people, will negotiate prices on prescription pharmaceuticals so that the senior citizens can get something other than excuses from our dear Republican friends and the insurance companies about why we ought to disregard what our common sense tells us, and that is that 43 million people can have the purchasing power to perhaps encourage these drug houses to give the government and the American retirees a better price.

Now, let's take a look at that. That is a chance to do real good for the people. I would tell you that we are tired of the excuses on these matters. Consumers, and particularly those who are living on disabled or fixed or limited incomes, watch their pennies. They have to. We should watch them too because we owe that to the people.

Now, the Secretary says it isn't going to save money. CBO says it isn't going to save money. But the reason is because they know full well that this Secretary probably won't negotiate on their behalf.

But I will tell you one thing. On this side, we will see that this Secretary does negotiate for better prices for our people. We will have him up before the committees, and we will give him and the others in the administration the oversight which they have lacked for 6 years.

Now, who is in favor of this legislation?

Before I say that, the people opposed are the Republicans, the administration, the drug houses and the insurance

companies, certainly a logical collection of opponents to a proposal of this kind.

Who favors it? AARP, the National Committee to Preserve Social Security and Medicare, Medicare Rights Center, the Alliance for Retired Americans. It is also supported by organizations representing people with disabilities. The National Council on Independent Living, AIDS Action, Breast Cancer Action.

Consumer groups support it. Consumers Union, Families USA, U.S. PIRG. No insurance companies support it, but that is no surprise.

Provider organizations support it. The National Community Pharmacists Association, people who work with the recipients of this. The American Nurses Association, the American Medical Association. The doctors say this is the thing that we should be doing. The Association of Community Pharmacists.

And, of course, organizations representing tens of millions of hardworking Americans. The American Federation of Teachers, the National Education Association, SEIU, United Steelworkers, the AFL–CIO, and the UAW.

Some say part D is working well. And for a few lucky folks, that is true. The insurance companies are cutting the fat hog on this. And the pharmaceutical houses are able to do just what they want on their pricing.

It is time that we correct this. Let's pass this legislation and do what we should have done before to protect our senior citizens.

Ms. BORDALLO. Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. Currently, the federal government is prohibited from directly negotiating with pharmaceutical companies for lower prescription drug prices for individuals enrolled in the Medicare program. This legislation will repeal this prohibition. In doing so, it will require that the Secretary of Health and Human Services negotiate for lower prescription drug prices for the millions of senior citizens who are Medicare beneficiaries.

Today, senior citizens enrolled in Medicare Part D are paying higher prices for prescription drugs that are negotiated solely by market forces and pharmaceutical companies. Many senior citizens are also left without Medicare assistance once their annual prescription drug costs reach the threshold amount placing them in the coverage gap known as the "doughnut hole." The Secretary of Health and Human Services has the leverage and the bargaining power of millions of Medicare beneficiaries with which to negotiate prescription drug price discounts. We should agree to H.R. 4 in order to empower the Secretary to use this leverage and bargaining strength for the benefit of Medicare beneficiaries.

I fully support the innovated research and development conducted by the pharmaceutical industry. Advancements made as a result of these research and development processes have eradicated diseases and alleviated suffering for countless individuals around the world. The decreased revenue from the lower drug prices should not necessarily nor directly lead to a decrease in investment toward research and development by pharmaceutical companies. I acknowledge the many contributions made by the pharmaceutical industry toward developing medicines that have improved the lives of so many. In no way do I believe that this legislation will impede the industry's ability to continue to provide great medical advancements for the American people and others.

I represent the territory of Guam. Three prescription drug plans from a single insurance company are offered today to Guam's Medicare beneficiaries who are enrolled in Medicare Part D. Opponents of H.R. 4 argue that the private sector can and will adequately negotiate for lower prescription drug prices for Medicare beneficiaries lest the seniors transfer to a different, less expensive plan. Unfortunately, in my district, where only one insurance company currently provides plans under Medicare Part D, there is no private competition and limited choice among plans. Medicare beneficiaries deserve to have access to the lowest prescription drug prices possible. I therefore urge my colleagues to vote in favor of H.R. 4 and in favor of providing affordable prescription drugs for our senior citizens.

Ms. WATERS. Mr. Speaker, I rise in strong support of H.R. 4, which requires the Secretary of Health and Human Services to negotiate with drug companies for lower drug prices for Medicare beneficiaries.

American seniors are not getting the best possible prices for the drugs that keep them alive and in good health. A study by Families USA shows that the median drug prices among Medicare plans for the top 20 drugs prescribed for seniors is increasing at a rate of 7.4 percent per year. That's more than twice the rate of inflation. These price increases are passed on to seniors in the form of higher premiums and out-of-pocket expenses.

Clearly, the Medicare prescription drug program has not resulted in the lowest possible prices for seniors. But it has resulted in record profits for drug companies. In November, the New York Times reported that the Medicare prescription drug program has proven to be a bigger financial windfall for big drug companies than even the most optimistic of Wall Street predictions.

The Veterans' Administration already negotiates with drug companies for lower drug prices for American veterans. In the Families USA study, the lowest price charged by Medicare prescription drug plans for all 20 of the top drugs was always higher than the lowest price obtained by the Veterans' Administration.

I am a great defender of our Nation's veterans. They have served our country with honor, and they deserve the lowest possible prices for their drugs. But so do our Nation's seniors. There is no reason why the U.S. Government should negotiate lower drug prices for veterans and not for seniors.

I urge my colleagues to support this bill, and I urge the Secretary of Health and Human Services to negotiate in good faith for lower prescription drug prices for American seniors.

Ms. BEAN. Mr. Speaker, I rise today to speak in support H.R. 4, The Medicare Prescription Drug Price Negotiation Act.

I strongly believe Medicare should ensure seniors have access to the drugs and treatments that they need. In response to that need, Congress passed H.R. 1, The Medicare Modernization Act, in 2003. Today, H.R. 4 will take a step further by allowing the Secretary of Health and Human Services the ability to negotiate with pharmaceutical manufactures for drugs covered under Medicare Part D. By removing the noninterference provision of the Medicare Modernization Act, we are providing another tool to help lower drug prices and make medicine more affordable for seniors.

This bill would require the HHS Secretary to submit a report on the negotiations this June, and every six months thereafter. It does not call for a national formulary, stifle competition, or limit consumer choice.

When members of the 108th Congress wrote The Medicare Modernization Act, they did so with the intention of using market competition to contain drug prices. In fact, in its first year, Medicare Part D has witnessed bids that are ten percent lower in 2007 than 2006.

The market is working, and we should not remove competition that helps lower drug prices and reduces consumer options. Innovation and R&D into future medications, vaccines, and treatments require profitable, healthy drug companies that are able to navigate through the arduous approval process. So we must balance cost savings with continuing to encourage the creation of innovative new drugs.

Therefore, I encourage my colleagues to support H.R. 4 but to avoid additional proposals that could be unduly harmful to future, life-saving discoveries.

Mr. CLAY. Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. I commend Congress for doing everything possible to make prescription drugs more affordable and accessible to Medicare beneficiaries. I wish to congratulate my dear friend and colleague from Missouri, Congresswoman JO ANN EMERSON, for working tirelessly in a truly bi-partisan fashion to enable the Secretary of the Department of Health and Human Services to negotiate lower drug prices for seniors.

My support for this bill is unwavering and it is my sincere hope that the conference report assures patient's access to all life saving medicines. My constituents deserve nothing less than the best coverage available at the lowest price. I am dedicated to improving the Medicare prescription drug program and will continue working to advance the critical goal of decreasing out of pocket costs for seniors.

Mr. Speaker, I commend you along with my colleagues Representatives RANGEL and DINGELL for your leadership in helping seniors gain access to affordable medicines.

Mrs. KAPTUR. Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007.

Although the bill before us today does not go as far as it needs to go, it is an incremental step towards a long-overdue solution, a solution that continues to be blocked by moneyed pharmaceutical interests that are more interested in the profits their medications can bring than in the good their medications can do. The American people deserve better, and that is why I continue to say that if we are to achieve real reform in this institution, we need to start with campaign finance reform.

In my view, Medicare represents a covenant between the U.S. government and its citizens. During my tenure in the House of Representatives, I have always supported Medicare and Social Security as important lifelines for seniors in our country.

As part of these efforts, I have advocated fair, affordable, easy-to-use prescription drug coverage for seniors under Medicare. Unfortunately, the Medicare Modernization Act falls far short of these goals. Ever since its inception, the MMA has been a nightmare both for legislators and, more importantly, for the seniors who must try to navigate it.

Under this law, the government is prohibited from using its buying power to negotiate lower prices for America's 30 million seniors. I object strongly to this provision because I believe firmly that something must be done to bring down the cost of prescription drugs in America.

In fact, when the MMA was first being developed and passed through the House, I attempted to offer an amendment that would have allowed the Secretary of Health and Human Services to negotiate drug prices under the auspices of the Medicare program.

Unfortunately, after being kept waiting until the wee hours of the morning, while the Rules Committee met far from the watchful eye of the American public and even most Members of Congress, I was not allowed even to offer my amendment for consideration.

Therefore, I am glad that today we are debating a bill that will accomplish my goal, and under a system that has already worked to save our veterans money under the VA's healthcare system. H.R. 4 will begin to save money for beneficiaries both through lower drug costs at the pharmacy counter and lower plan premiums.

Lower prices will also slow entry into the donut hole, when beneficiaries must pay the full price of their medicines. And since taxpayers fund more than three-quarters of the cost of the drug benefit, we will be saving them money, too.

This bill does not, however, prevent the prescription drug plans from getting deeper discounts. And the bill does not allow the HHS Secretary to establish a national formulary or otherwise restrict access to medicines.

Mr. Speaker, our nation's seniors, members of the ''greatest generation,'' deserve better than having to choose between buying food or buying life-sustaining and often, life-saving medications.

I am pleased today to support this legislation which represents a first step in eliminating that cruel choice and helping to ensure that seniors can live their lives in good health and with dignity.

Mr. INSLEE. Mr. Speaker, I rise today to express my support for H.R. 4, the Medicare Prescription Drug Price Negotiation Act.

I strongly believe Medicare should ensure seniors have access to the drugs and biologics they need. In the past, my reluctance to support this kind of legislation has stemmed from the hope that we might find an alternative solution to the fact that our citizens, including our seniors, are subsidizing the research and development for drugs and biologics for the rest of the developed world, which has traditionally not paid its fair share of these costs. It is with the recognition that such a remedy is not forthcoming that I cast my vote today in favor of H.R. 4.

I applaud the Democratic Leadership's desire to ensure that this legislation continues to prohibit the HHS Secretary from requiring a particular formulary or list of covered drugs to be used by Medicare prescription drug plans or limiting access to any prescription medication. As a Member that represents a district with a strong biotechnology sector, I believe that America's continuing leadership and innovation in developing new treatments would make this particularly inappropriate.

Small, emerging biotech companies are researching and developing cures for cancer, Alzheimer's, multiple sclerosis and other devastating diseases. The overwhelming majority of biotech companies are small companies without approved products, highly reliant on the public and private capital markets. It is important that as we seek to ensure that our seniors are receiving the best care possible under Medicare, we must not take action that hinders this important research, which is estimated to cost $1.2 billion and can take over 10 years. Research and development that is the lifeblood of the biotechnology industry, and we must guard against taking action that would result in fewer breakthrough therapies.

Mr. KILDEE. Mr. Speaker, I rise today in strong support of H.R. 4, The Medicare Prescription Drug Price Negotiation Act of 2007.

This legislation fixes a serious flaw in the Medicare prescription drug program that currently prohibits Medicare from negotiating drug prices with pharmaceutical manufacturers.

The Department of Veterans Affairs and state Medicaid-programs are already able to use their buying power to negotiate lower prices on prescription drugs and this has greatly lowered their prescription drug costs.

Medicare prices for the top 20 drugs prescribed to seniors are 58 percent higher than those available through the VA. The Government Reform Committee found that Medicare negotiating drug prices just 25 percent lower would save more than $60 billion over the next decade.

Seniors need a prescription drug benefit under Medicare that is affordable, comprehensive, guaranteed and does not harm those retirees that are currently covered under private insurance plans.

This is an important first step in improving Medicare Part D prescription drug coverage and I urge my colleagues to support H.R. 4.

Mr. PAUL. Mr. Speaker, H.R. 4 gives the Secretary of Health and Human Services the authority to engage in direct negotiations with pharmaceutical companies regarding the prices the companies will charge Medicare when the companies provide drugs through the Part D program. Contrary to the claims of its opponents, this bill does not interfere with a free market by giving the government new power to impose price controls. Before condemning this bill for creating ''price controls'' or moving toward ''socialized medicine,'' my colleagues should keep in mind that there is not, and cannot be, a free market price for a government-subsidized good.

Members concerned about preserving a free market in pharmaceuticals should have opposed the legislation creating Part D in 2003. It is odd to hear champions of the largest, and most expensive, federal entitlement program since the Great Society pose as defenders of the free market.

The result of subsidizing the demand for prescription drugs through Part D was to raise prices above what they would be in a free market. This was easily foreseeable to anyone who understands basic economics. Direct negotiation is a means of ensuring that the increase in demand does not unduly burden taxpayers and that, pharmaceutical companies, while adequately compensated, they do not obtain an excessive amount of Medicare funds.

The argument that direct negotiations will restrict Medicare beneficiaries' access to the prescription drugs of their choice assumes that the current Part D system gives seniors control over what pharmaceuticals they can use. However, under Part D, seniors must enroll in HMO-like entities that decide for them what drugs they can and cannot obtain. My district office staff has heard from numerous seniors who are unable to obtain their drugs of choice from their Part D providers. Mr. Speaker, I favor reforming Medicare to give seniors more control and choice in their health care, and, if H.R. 4 were a threat to this objective, I would oppose it.

Federal spending on Part D is expected to grow by $100 billion in 2007. It would be fiscally irresponsible for this Congress not to act to address those costs. I recognize that giving the Department of Health and Human Services the authority to engage in direct negotiations neither fixes the long-term problems with Medicare nor does empowers senior to control their own health care. However, we are not being given the opportunity to vote for a true pro-freedom, pro-senior alternative today. Instead, we are asked to choose between two flawed proposals—keeping Part D as it is or allowing the Department of Health and Human Services to negotiate prescription drug prices for the Part D program. Since I believe that direct negotiations will benefit taxpayers and Medicare beneficiaries by reducing the costs of prescription drugs, I intend to vote for this bill.

Mr. CRAMER. Mr. Speaker, I rise in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. I applaud our leadership's efforts to lower the price of drugs for seniors and other Medicare Part D beneficiaries.

In addition to achieving the lowest possible costs for drugs, I strongly believe Medicare should ensure seniors have access to the drugs they need. Therefore, it is critical that price negotiations by the Secretary of the Department of Health and Human Services not lead to government price controls, or any restrictive formularies that could limit seniors' access to critical medicines.

Further, we must not take action that hinders medical research and development by the biotechnical and pharmaceutical industries. Government price controls could potentially lead to fewer breakthrough treatments for diseases such as cancer, Alzheimer's, multiple sclerosis, amyotrophic lateral sclerosis, ALS, and other devastating diseases.

Ms. ROYBAL-ALLARD. Mr. Speaker, on behalf of the millions of seniors and individuals with disabilities, I rise in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. And I thank our Speaker NANCY PELOSI for making this issue one of the first priorities of the 110th Congress.

The Medicare Prescription Drug benefit that passed in the 108th Congress was supposed to help control the rising costs of prescription drugs. But it has failed. According to a Families USA study, during the first 6 months of 2006, the median price for the top 20 drugs prescribed for seniors among Medicare drug plans actually rose by 3.7 percent.

What that means is that over the course of the full year, drug prices increased by as

much as 7.4 percent, more than twice the rate of inflation. The Medicare Prescription Drug benefit that was passed in 2003 is simply not controlling the escalating prices of life saving medications for our seniors and those with disabilities.

An even more tragic consequence of the current drug benefit is that last year millions of Americans reached what is known as the ''donut hole gap'' in coverage. Many are from my own district in Los Angeles.

This gap means that in addition to having to continue to pay their premiums without the benefit of their coverage, they are required to spend almost $3,000 out of their own pocket for their medications before their benefits are restored.

The result has been that many of our Medicare beneficiaries have been forced to choose between paying for the multiple medications they need to keep them healthy and alive or paying their rent or other necessary household expenses.

The fact is, Mr. Speaker, that the 108th Congress did a grave injustice to our seniors and those with disabilities when it passed the Medicare prescription drug bill.

Instead of helping this vulnerable population, the current law simply replicates the same private market practices that have resulted in exploding prescription drug costs. Sadly, these costs are increasingly borne by patients.

Pharmaceutical companies, like other industries, grant discounts in exchange for volume and market share. It stands to reason, then, that our federal government should be given the power to negotiate the best price possible for the 22 million people whose medications it now purchases.

However, this is not possible because the structure of the Medicare prescription drug program expressly forbids our government from doing so.

Instead of relying on the administrative efficiency of a single large purchaser, the current Medicare Prescription Drug plan relies on thousands of stand-alone plans to separately negotiate with each drug manufacturer.

The benefit of our government being able to negotiate directly with drug manufacturers is best exemplified by the U.S. Department of Veteran Affairs. The VA uses the volume of its purchasing needs to negotiate up to 47 percent lower costs on frequently prescribed drugs for the thousands of veterans in its care. By contrast Medicare, the single largest prescription drug purchaser in the United States, has no power to lower high or unfair drug costs. This is not only bad business practice; it is also an unconscionable waste of taxpayers money which results in undue hardship for those it is intended to help.

Recent polls by the Kaiser Family Foundation and Newsweek have shown overwhelming bipartisan support among Americans for allowing our government to negotiate prescription drug prices for the Medicare program. Negotiating drug prices is also favored by the AARP, the Consumers Union, and the AFL–CIO.

Mr. Speaker, I urge my colleagues to join with me today in ending the prohibition for Medicare negotiation authority for prescription drugs. Let us make one of the first acts of this 110th Congress a Medicare Prescription Drug program that truly works for those most in need, our seniors and those with disabilities.

Mr. ORTIZ. Mr. Speaker, it was a dark day when this House strong-armed and bribed members into passing a prescription drug benefit for Medicare that served the pharmaceutical industry—rather than serving the seniors unable to afford prescription drugs.

Finding the way to fix the entire program will take us a while longer . . . but I am proud that today we are attacking one of the most egregious parts of that law, the portion that was designed as payback for the pharmaceutical industry. Paying the full cost of the prescription drugs makes the cost for this program astronomical; and the fact the law prohibits the government from negotiating for lower prices was particularly galling.

Now, in the first 100 legislative hours of the 110th Congress, we are passing this bill to cut the cost of health care and improve access to medicines by requiring HHS to negotiate with drug companies or lower drug prices for Medicare beneficiaries. This bill we consider today will certainly save millions of dollars taxpayers now pay to have a prescription drug benefit

Mr. Speaker, I am incredibly proud to stand today with you, with our colleagues, and with millions of seniors and U.S. taxpayers as we ensure that Medicare's drug component serves senior citizens, not the pharmaceutical lobby.

Mr. KIRK. Mr. Speaker, I am voting for H.R. 4 because I believe that the Medicare prescription drug program can be improved. And one improvement is allowing the Secretary an opportunity to negotiate lower drug prices.

At the same time, my support for H.R. 4 is contingent upon the principle that this legislation will not allow restrictions imposed by the Federal Government on patients' access to medicines. I firmly believe that every patient must have access to the medicines their doctors prescribe, without government intervention. I interpret this legislation to mean Medicare beneficiaries are protected against all types of government-imposed restrictions on patients' access to the medicines they need, and that no such restrictions will be allowed under the Medicare Modernization Act as amended by H.R. 4.

Seniors should pay less for prescription drugs, and Medicare should have more tools to achieve savings for our Nation's elderly. But these savings should not come at the expense of seniors ability to discuss with their doctors which drugs are best for their health and to have access to these drugs in the Medicare Part D program. I am disappointed that H.R. 4 was rushed to the floor today without any hearings or amendments allowed. I hope the Senate will take a more thoughtful approach when considering Medicare Part D reform to add more protections for our seniors.

Mr. CONYERS. Mr. Speaker, I rise in strong support of H.R. 4, which would allow the government to negotiate prescription drug prices on behalf of our senior and disabled citizens.

Aside from the bipartisan group of Members, an overwhelming majority of Americans favor allowing the government to negotiate prescription drug prices for the Medicare program. Eight-five percent of the 1,867 adults polled in a survey conducted by the Kaiser Family Foundation this past week, revealed they were in favor of such negotiations, including majorities of Republicans, Democrats, and independents.

I along with many of my Democratic colleagues promised to repeal this provision in the 2003 Medicare drug benefit law that prevents the government from engaging in drug price negotiations. Our time has come to do so.

The administration refused to take action on behalf our citizens desperately in need of affordable health care, offering them little hope for quality health care. Requiring the government to negotiate drug prices on behalf of our citizens requires some more details which can easily be sorted out through the experts at HHS.

Under the current Medicare Part D Prescription Drug Program, which enrolled 22.5 million people this year, dozens of private insurers offer Medicare drug plans in every state, competing on monthly premiums, choice of drugs and access to pharmacies. This has placed tremendous financial pressure on insurers, through their pharmacy benefit managers, to negotiate the best prices they can with drug companies and pharmacies, a fact confirmed by experts within the system.

There is no reason why the government cannot sort out difficulties, to mimic the few programs that are providing affordable drugs through pre-negotiated drug prices, such as the Department of Veterans Affairs. This department by law receives a mandatory discount on drugs, and also negotiates effectively to secure better prices for the 4.4 million veterans who use its drug benefit. With as many as 43 million beneficiaries, Medicare will have the ability to do the same.

Therefore I strongly support H.R. 4.

Mr. CUMMINGS. Mr. Speaker, I rise today in strong support of the Bipartisan Medicare Prescription Drug Price Negotiation Act of 2007, H.R. 4.

H.R. 4, despite the protestations to the opposite, does not require price controls, does not hamper research and development, does not require the Secretary of HHS to adopt the pricing structure of the Veterans Affairs system and does not require a national formulary.

What H.R 4 does require is for the Secretary of HHS to leverage the power of our 43 million Medicare beneficiaries to negotiate with pharmaceutical companies to get the best possible drug prices for our seniors and disabled under Medicare Part D.

There are still some of my colleagues who say this legislation is not necessary, but the facts indicate otherwise. Manufacturer prices for brand-name drugs rose 6.3 percent in the 12 months ending June 2006, more than one and one-half times the 3.8 percent rate of general inflation over the same period. In 2006 alone, this increase translated to an additional $283 for the typical American senior—an increase many can ill-afford.

We know that these prices are only likely to further increase and we need to repeal this prohibition now to help our seniors and disabled.

I urge my colleagues to support this critical legislation.

Mr. PORTER. Mr. Speaker, I rise today in opposition of H.R. 4, the Democrat Drug Price Control.

Simply put, this measure will limit choice and access to prescription drugs for seniors in Medicare. H.R. 4 changes the new Medicare prescription drug benefit program by requiring government employees to directly negotiate drug prices with manufacturers, instead of retaining the current system that gives seniors wide choices and uses multiple competing health plans and drug benefit managers to deliver benefits. This is not what is best for our seniors.

Though Democrats are promising lower drug prices, the potential trade offs for Medicare beneficiaries are too risky to gamble. By stripping the Medicare Modernization Act of the non-interference language, we would put the current choice and access that seniors deserve and enjoy in jeopardy. Instead, this bill opens the door to government bureaucrats picking and choosing what drugs and which pharmacies seniors could use.

Because of the new Medicare prescription drug benefit, thousands of seniors currently don't have to choose between groceries and the life saving medicine they need. In my district alone, roughly 87,000 seniors have enrolled and are saving an estimated $1,100 per year according to the Centers for Medicare and Medicaid.

The Veterans' Administration, VA, which relies on direct government negotiation, currently excludes nearly 30 of the top 100 drugs used by seniors from its one national formulary. By comparison, the most popular Medicare Part D and Federal Employee Health Benefits Program plans provide coverage for more than 99 percent of the most widely used drugs. Similarly, Medicare and FEHBP enable patients to obtain prescriptions at nearly all private pharmacies while the VA requires patients to either go to VA facilities to get their drugs or obtain them through mail order. Currently, more than 75 percent of VA prescriptions are fulfilled via mail.

Additionally, in 1990, the Democratic 1991 budget reconciliation measure which passed Congress gave the Medicaid program access to the low prices achieved by VA. Drug manufacturers, faced with mandated discounts to Medicaid, 15 percent of the market, decided to end deep discounts to VA, 1 percent of the market. In some cases the VA saw 300 percent price increases. Congress had to pass legislation to correct this problem in 1992. Let's not make the same mistake twice.

I urge my colleagues to oppose H.R. 4, Democrat drug price control.

Mr. LAMBORN. Mr. Speaker, I rise in strong opposition to H.R. 4 which was hastily drafted without proper committee consideration or any by the minority party.

Democrats are fond of citing the Department of Veterans Affairs as evidence that Medicare officials could squeeze lower prices out of drug makers if the government merely used its negotiating clout.

However, what they don't tell you is this program from the early 90s resulted in a stark increase in VA prices for drug purchases.

Additionally, independent experts at the Congressional Budget Office have said that government involvement in price negotiation will not lead to lower costs for seniors and could lead to significant restrictions in access to necessary drugs.

Our seniors can not afford either price increases or restrictions on the drugs they need to stay healthy, both of which are likely if this measure becomes law.

That is something I cannot support and I urge opposition to H.R. 4 today.

Mrs. MALONEY of New York. Mr. Speaker, I rise in strong support of H.R. 4, the Prescription Drug Price Negotiation Act of 2007.

This is the perfect capstone to an extremely productive week.

I came to Congress to help our seniors gain access to benefits they need and deserve, so I thank Chairman DINGELL and the new Democratic leadership of the House for bringing this vitally important bill to a vote during the first 100 hours.

In 2003, I voted against the prescription drug bill because, among other things, it did not provide adequate benefits to our seniors and did nothing to contain the rising costs of drug prices.

Current law states that the Secretary of Health and Human Services, unlike the Veterans' Administration, is expressly prohibited from negotiating the best drug prices on behalf of the 43 million seniors and others in Medicare who desperately need the lowest price available.

Price data show that Part D plans are not delivering on the promise that competition would bring prices down and that the use of market power has not resulted in drug prices that are comparable to the low prices negotiated by the VA.

H.R. 4 cuts the cost of healthcare and improves access to medicines by requiring HHS to negotiate with drug companies for lower drug prices for Medicare beneficiaries and greater savings for our taxpayers.

It's commonsense, it's good business sense, and it makes sense for our seniors.

Negotiations that lower prescription drug prices will help many consumers avoid the doughnut hole by preventing them from ever hitting the coverage gap where they have to pay thousands of dollars of out-of-pocket expenses for medications while still paying their monthly insurance premiums.

H.R. 4 does not dictate to the HHS Secretary how to negotiate but instead provides the Secretary with broad discretion on how to best implement the negotiating authority and achieve the greatest price discounts for Medicare beneficiaries.

The bill also ensures that Congress is able to closely monitor the administration's progress by requiring HHS to report to Congress every 6 months on drug price negotiation.

Under the current system, the pharmaceutical companies are the ones who benefit at the expense of our seniors, many of whom are forced to choose between paying for their prescription drugs and putting food on the table.

H.R. 4 seeks to help those who need it most. Older Americans are watching us today, waiting to see if we will act to make their prescription drugs more affordable and more accessible.

I am proud to cast a vote in support of America's seniors and urge my colleagues to do the same.

Vote ''yes'' on H.R. 4.

Mr. KING of Iowa. Mr. Speaker, I oppose this legislation, because I believe it will make seniors pay higher prices for their drugs and will restrict their access to the drugs they need.

Earlier this week, I met with Dr. Mark McClellan, the former administrator for CMS. Dr. McClellan pointed out to me, while no program is perfect, Part D has proven to be very successful. Premiums seniors pay for the basic drug benefit have fallen over 40 percent from the expected premiums. CMS reports that, on average, beneficiaries are saving nearly $1,100 a year on their drug costs, with many seniors and their doctors having more drugs to choose from under Part D than they did before. Also, Part D cost nearly $13 billion less than expected in 2006, and 10-year costs have been lowered by approximately $180 billion.

In order to make drugs cheaper, the Secretary will have to refuse coverage for a number of drugs that are regularly prescribed to seniors. When Medicare's list of covered drugs is shortened, either doctors will be forced to choose cheap drugs which could hurt the welfare of their patients, or seniors will be forced to pay out-of-pocket for many of the important, life-saving medications they need.

I urge a ''no'' vote on this harmful legislation.

Mr. YARMUTH. Mr. Speaker, I used to spend weekends at my father's used car lot and among other things, I saw a lot of haggling. There was a sticker price, but that was just a starting point for negotiation. If you wanted to drive the price down really low, your family would buy two cars at once. Three cars would really sweetened the deal. If the neighborhood had been really smart, they would've all come in at once and bought up the whole lot.

I tell you this, Mr. Speaker, because Medicare Part D is buying up the whole lot of prescription drugs and still paying sticker price.

Last year, this institution offered a plan intended to save seniors from paying the exorbitant cost of prescription drugs. Now most of them feel cheated by an overly complicated system, many of them aren't saving any money, and a good number of them are actually paying higher prices than they were before. And because we aren't negotiating on their behalf, we can't even tell our struggling Americans that we're doing the best we can.

Medicare part D was written for drug companies, by drug companies, and it should be no surprise, it's benefiting drug companies. This policy has yielded windfall profits for big pharmaceuticals, at the expense of our older Americans.

We can do better. America expects better. And our seniors deserve better.

I urge my colleagues to pass this common sense measure.

Mr. BOYD of Florida. Mr. Speaker, I rise today to express my support for H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. I commend the Leadership's efforts to curb prescription drug costs for the neediest in our country. As a Representative from the state of Florida, I represent a large number of seniors who rely on Medicare to help with medical costs, I am proud to be a supporter of this bill.

In 2003, when Congress passed the Medicare Part D Prescription Drug Bill Act, I was one of the few Democrats who voted for it. Many of us who supported the bill also supported giving the Secretary of Health and Human Services the power to negotiate drug prices. I believe that by allowing the Secretary to negotiate drug prices with biotech and pharmaceutical companies, we will lower prices for seniors who find themselves in the gap between stages of coverage when they have to pay the full price for the medications they need.

Not only do seniors need help coping with rising healthcare costs, but they greatly benefit from the development of treatments, from research and development, and from biologics. It is my intention as the Representative of the people of North Florida to see that people get

the medical treatment they need, while also ensuring that this change in the Medicare Part D program is not the first step toward government price controls, stifling innovation, or corrupting the core design of our free market system.

We need to ensure that Congress is striking a balance between providing the aid that seniors need, and providing an environment where a healthy market can flourish. Madam Speaker, thank you again for allowing me to speak on this issue, and for making our nation's senior citizens a priority in this first week of the new leadership.

Mr. WEXLER. Mr. Speaker, I rise in strong support of H.R. 4, which mandates the Secretary of Health and Human Services to negotiate lower drug prices for seniors. America's seniors deserve the best possible health care that this government can offer. Unfortunately, we have failed to live up to this expectation under the new Medicare Part D program.

It is unconscionable that the Republicans who drafted the Medicare drug bill actually prohibited the Secretary from obtaining lower prices for seniors. In fact, under Medicare Part D, seniors are paying as much as 10 times more for the most commonly prescribed drugs than patients being treated by the Veterans Administration, and drug prices have consistently risen since the bill's enactment. Community pharmacists, who have witnessed first hand the difficulties seniors face with ever increasing drug prices, endorse this important legislation.

Today, Congress has the opportunity to empower the Secretary to act in the best interest of America's seniors. I strongly urge my colleagues to vote in favor of this bill.

Ms. WOOLSEY. Mr. Speaker, one learns the useful lesson of ''strength in numbers'' from an early age, but it seems some of us could use a refresher. The more people you have on your side, the better the chances of success.

Well, there are approximately 43 million Medicare beneficiaries in this country—more than enough, I'm sure, to throw some considerable weight behind the drug price negotiations we're debating today.

Now let's make one thing clear. The only real beneficiaries of the Medicare modernization act were the insurance companies and the drug companies whose profits continue to soar.

Meanwhile, seniors who have worked a lifetime to earn the peace of mind our drug program should be have been sacrificed for handouts to these industries. Furthermore, they remain responsible for paying a majority of their often astronomical prescription drug costs.

Well today the tides are turning. I'm proud to join my colleagues in support of this long-awaited, urgently needed measure that will finally bring seniors savings on their prescription drugs.

On behalf of beneficiaries in Marin and Sonoma counties, I urge you to support the seniors in your districts, by voting for H.R. 4.

Mr. UDALL of Colorado. Mr. Speaker, I am going to vote for H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. I support making changes to the Medicare Part D plan to make it more accessible, affordable and easier to understand.

H.R. 4 repeals the part of the current law that prohibits the Secretary of Health and Human Services from negotiating with drug companies for lower prices for those enrolled in Medicare drug plans. The bill would instead require the Secretary to conduct cost-saving negotiations, and in conducting these negotiations, the Secretary may not restrict access to certain medicines in Medicare, for example by requiring a formulary to be used by Medicare Advantage plans. Finally, the bill would require the Secretary to submit to Congress a report on the negotiations conducted no later than June 1, 2007, and every six months thereafter.

I am voting for this legislation because I hear from seniors in my district about how they are struggling to pay for the medicines their doctors tell them they need to take. No senior should be faced with the decision of cutting their pills in half, or pay their drug bill or their electric bill.

However, I have some doubts that this negotiation will actually result in lower prices than what private plans are already achieving for seniors enrolled in Medicare Advantage plans. The nonpartisan Congressional Research Service issued a report on January 5, 2007, titled ''Federal Drug Price Negotiation: Implications for Medicare Part D,'' which says that the bill ''may not necessarily lead to lower costs for beneficiaries.'' The report also says the bill could affect the number and types of drugs that would be available to seniors and the amount of research and development and innovation by pharmaceutical companies. Nonetheless, H.R. 4 gives the Secretary of HHS great latitude in how negotiations will be conducted, and it is my hope that the Secretary will enter into these negotiations in a way that won't harm seniors' access to medicines or negatively impact new drug research and discoveries. Large employers, states and large pharmacy chains all use their bargaining clout to obtain lower prices for their consumers; Medicare should have the same opportunity to bargain for lower prices for America's seniors.

Mr. Speaker, I think we need to try dfferent approaches to make lifesaving medicines available to our nation's seniors so I'll vote for this bill. I will continue to work on a prescription drug program that meets the needs of our nation's seniors.

Ms. CORRINE BROWN of Florida. Mr. Speaker, last August I held six (6) Town Hall Meetings throughout my district on the new Medicare Part D Prescription Drug program, and I would encourage my colleagues to do the same. Not only did it give my constituents a chance to get help and get their questions answered, it gave me an opportunity to really find out how the new program is working.

I've been an elected official for 25 years, and I have never seen a program that penalizes somebody for the rest of their life if they didn't sign up right away.

This current Medicare Part D bill was written by and for the Insurance and Pharmaceutical industry without the needs of our seniors in mind.

This bill allows the private drug plans to take drugs off their approved list, and even charge more for drugs throughout the year, while seniors are locked in and cannot change plans until the next year.

Incredibly, the Republican Leadership wrote a bill that specifically prevents the Secretary of Health and Human Services from negotiating the price of drugs. Even though both the Secretary of Veterans Affairs and the Secretary of DoD are negotiating their drug prices right now.

Could you imagine if we told Wal-Mart that they couldn't get a reduced price by buying in bulk? Every member of the Republican Party would be on this floor screaming bloody murder, but when it's needed drugs for our senior citizens, there is deafening silence.

This is another perfect example of the Republicans talking out of both sides of their mouth. They stand on the floor every day demanding that we save the taxpayers money, but when we try to do that with the companies that fill their campaign coffers, they say we are hurting business. But the real truth is that the drug companies are making record profits while seniors and taxpayers are paying higher drug prices.

And one of the most troubling aspects of this bill and one that most people don't know about is the ''donuthole'' where no coverage is provided after you spend $2,250 until your costs reach $5,100. That's $3000 in out of pocket costs that few if any of our seniors can afford.

I encourage my colleagues to do the right thing for our parents and grandparents and allow the secretary to negotiate bulk prices for these needed drugs.

Mr. KUCINICH. Mr. Speaker, on one hand we hear from the opposition that this bill will not save seniors money. But then we hear that Medicare's negotiation of prices is tantamount to price controls. To make that argument, one has to assume money will be saved. Which is it? Will it save money or won't it? The answer is that of course it will save money.

It's particularly interesting that Pharma's response is to threaten to reduce innovative new drug research by withholding research funding. Pharma will not reduce their lobbying army that outnumbers Members of Congress. They will not reduce their profits which average almost $5 billion dollars among the top 8 Pharma companies in 2006 alone. They will not reduce their army of salespeople dedicated to influencing the prescribing habits of doctors. They will not stop paying scientists to influence clinical trial data that is supposed to be the basis for impartial judgment of a drug's efficacy and safety. No, they are threatening to cut research funds, which they claim will affect innovation. But they will not tell you that the number of truly innovative drugs they are producing has been declining since 1999 according to the Government Accountability Office. Why? Because they are instead spending their money on making minor changes to existing drugs in order to extend their highly profitable patent life. And by asking us to reject negotiation of prices for Medicare, they are asking us to fund not only their sub-par research agenda but their entire influence industry. I'm not buying it.

Mr. CROWLEY. Mr. Speaker, I rise in support of the H.R. 4 to allow the Secretary of Health and Human Services to negotiate the price of drugs for our nation's seniors.

This legislation would require the Secretary of Health and Human Services to negotiate with pharmaceutical companies, and would also require the Secretary to report back to Congress on his negotiations, effectively giving us the right of oversight.

But I support this legislation because it has the ability to save our nation's seniors millions of dollars in drugs they use every day.

There is evidence to show that this bill could potentially save our seniors significant savings

on their prescription drugs. According to Families USA, the average senior could potentially save 58 percent on their drugs.

Additionally, according a Kaiser Family Foundation poll, eighty-five percent of respondents feel that the government should be given the ability to negotiate lower prices for senior citizens.

However, this bill, while a step in the right direction is by no means the end to this debate. Congress should hold hearings, and briefings to further discuss how to lower prices for medication without eliminating access to vital medications for our nation's seniors.

In order to accomplish more access to medications, and an over all improvement in the healthcare system, the answer does not lie in pointing fingers at each other, but rather the un-obstructed dialogue between constituents, elected officials on both sides of the aisle, and all interested parties.

I know that I am willing to work with all parties in this debate if it helps my constituents obtain much needed medicine, and access to doctors.

Let's stop blaming each other, and prohibiting each other from trying something new. Instead, let's attempt something that could possibly be revolutionary. Former President Franklin Delano Roosevelt once said "It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

I agree with him, prevail or not, at least we can say we tried to make a difference in the lives of millions of Americans.

I urge all my colleagues to work together to get this legislation passed, both in Congress and out.

Mr. TANNER. Mr. Speaker, I join my colleagues in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act.

We all share the goal of adequate access and reasonable prices for prescription drugs for our nation's seniors. I believe that the Medicare prescription drug program can be improved and one improvement will be to allow the Secretary an opportunity to try to negotiate for lower prices.

While I do support this legislation, I want to make it clear that I do not support any government-imposed restrictions on patients' access to their medicines. Nor do I support government price controls on prescription drugs. Each patient must have access to their doctor prescribed medicines without a government bureaucrat blocking that access. I also do not support the imposition of government price controls that might restrict access to medicines and the development of new medicines needed by those with conditions like Alzheimers, ALS and cancer.

I believe that provisions in H.R. 4 that protect against government imposed formularies is the right policy. In supporting H.R. 4 today, I am saying Yes to negotiation, No to government-imposed restrictions on patient access to the drugs prescribed by their doctors and No to government price controls.

Mr. SHAYS. Mr. Speaker, I am opposed to H.R. 4. Despite the rhetoric we're hearing on this issue, the fact is seniors are already realizing significant savings from negotiated prices. With plenty of competition between Medicare prescription drug plans driving prices lower, the free market is working. Why fix something when it's working?

Seniors should understand the government isn't in charge of negotiating prices because the government doesn't administer the benefit. Private plans do. The negotiation takes place through private carriers who provide this service already for prescription drug beneficiaries like the United Automobile Workers of America.

Most prescription drug plans use pharmacy benefit managers, or PBMs, to negotiate drug prices for them. These PBMs already negotiate drug prices for private insurers, and now, with the added market power of Medicare beneficiaries, PBMs are getting lower prices not only for Medicare beneficiaries, but for everyone on whose behalf they are negotiating.

I noted with interest the Congressional Budget Office report on this legislation, which stated that the federal government lacks the leverage to achieve savings over what private plans are already negotiating. Furthermore, the CBO report notes because Medicare prescription drug plans bear substantial financial risk, they already have strong incentives to negotiate deep discounts on prescription drugs.

I think it is unfortunate on an issue of this importance, we haven't had a single committee hearing or considered a single amendment to this legislation, despite significant evidence the legislation will not do what its proponents claim it will.

I share the bill's proponents support for lowering drug prices, but H.R. 4 is the wrong solution.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I have serious reservations about H.R. 4. I am not convinced this provision will do anything to really help lower the price of prescription drugs. I will reluctantly vote for H.R. 4 because it is a priority for the Speaker.

I would like to submit an article into the RECORD published yesterday morning in the Washington Post.

The article points out the faulty approach in comparing the Veterans Administration with Medicare Part D, when it comes to drug price negotiations.

While the V.A. is able to offer significant savings in drug prices, it offers a limited formulary. Also, the VA—by law—receives an automatic 24 percent discount from the average price that wholesalers pay.

Comparing Medicare Prescription Drugs to the V.A. system is apples to oranges. I have not seen convincing evidence that the proposal will be effective.

Mr. Speaker, we must do better. We must do more.

In my opinion, this bill (H.R. 4) leads the seniors to believe that we are doing something for them. If we are serious, we would address the "donut hole."

Again, I urge my colleagues to review this article, that helps to make my point, and I submit it for the RECORD.

[From the Washington Post, Jan. 11, 2007]

EXPERTS FAULT HOUSE BILL ON MEDICARE DRUG PRICES

(By Christopher Lee)

Democrats are fond of citing the Department of Veterans Affairs as evidence that Medicare officials could squeeze lower prices out of drugmakers if the government merely used its negotiating clout. But that comparison ignores important differences between the two systems, experts say.

Unlike Medicare, VA by law receives an automatic 24 percent discount from the average price that wholesalers pay. Its prices are also low because VA, which prescribes medications for 4.4 million veterans annually, has a relatively narrow formulary, or list of approved drugs. The agency secures big discounts from the manufacturers of a few drugs in each class by promising not to offer competing drugs. The Centers for Medicare an Medicaid Services (CMS) is prohibited by law from adopting such a list for the year-old Medicare drug benefit, in part because seniors enrolled in what is known as Part D want to have a wide range of drug choices.

The legislation that House Democrats hope to pass tomorrow to require the Bush administration to negotiate drug prices for Medicare would neither permit a formulary nor require an automatic discount. It would simply require the secretary of health and human services to pursue negotiations and report back to Congress in six months.

That is part of the reason that many experts do not expect the measure to deliver significant savings even if it overcomes opposition in Congress and escapes a possible presidential veto.

In fact, the nonpartisan Congressional Budget Office said yesterday that the House bill would have a ''negligible effect'' on federal Medicare spending because without a formulary the HHS secretary probably could not obtain better drug prices than those negotiated by the many private insurers who offer Medicare drug plans.

''The federal government can get lower prices, but only if it's willing to exclude a certain number of drugs from the formulary,'' said Robert Laszewski, a nonpartisan health policy consultant in Washington. ''And that's a huge political leap that I would be very surprised if this Congress took. I don't think they are going to give CMS any teeth.''

''The VA is really a different animal than Medicare Part D,'' said Robert B. Helms of the American Enterprise Institute, who was an assistant secretary of health and human services in the Reagan administration.

But Democrats and their allies say that the gulf between drug prices under the VA system and those under Medicare is too large to ignore, and that requiring the government to negotiate prices for Medicare would help narrow the gap significantly.

On average, prices are 58 percent higher in Medicare than in the VA system for the 20 drugs most commonly prescribed for seniors, according to a study released Tuesday by the nonprofit advocacy group Families USA. The lowest price for a year's supply of 20–milligram pills of the cholesterol-lowering drug Lipitor, for instance, was $1,120 in Medicare and $782 in the VA system, the report said.

''These high prices are devastating seniors,'' said Ron Pollack, the group's executive director.

Rep. Frank Pallone Jr. (D–N.J.), chairman of the House Energy and Commerce subcommittee on health, called eliminating the current prohibition on government negotiations a ''no-brainer.''

''It makes absolutely no sense to say that the administration should not be able to negotiate prices for all these seniors,'' Pallone said. ''There's no way it's not going to save a significant amount of money.''

Pallone said Medicare could obtain prices similar to the VA system's even without a formulary. ''I have every reason to believe that there is enough persuasion power, with different things that could be implemented by the secretary, that could get down to those levels,'' he said. He added that Democrats will consider further changes down the road.

Energy and Commerce Committee Chairman John D. Dingell (D–Mich.), lead sponsor of the House bill, discounted the importance of the CBO analysis. ''Common sense tells you that negotiating with the purchasing

power of 43 million Medicare beneficiaries behind you would result in lower drug prices,'' he said.

Critics of the VA comparison note that some of VA's costs are buried in overhead. The department employs the doctors and nurses who write the prescriptions, and it operates the mostly mail-order pharmacies through which 76 percent of veterans' prescriptions are distributed. Medicare does not have that kind of infrastructure, and seniors have demonstrated a preference for retail pharmacies, CMS officials say.

CMS officials also note that about a quarter of the 3.8 million Medicare beneficiaries who get VA health-care benefits are also enrolled in Part D, in which the choice of drugs is broader.

''It's apples to oranges,'' former CMS administrator Mark B. McClellan said of the comparison. ''The VA is a closed health-care system relying on mail order and a tighter formulary than Medicare beneficiaries have shown they prefer.''

Mr. WELDON of Florida. Mr. Speaker, the legislation before us today is very different from the campaign promises that were made just a few short months ago by the Democrats. Counter to the arguments made today by Democrats in support of their bill, experts in the field, including the Democrats' own past and present budget directors, say that this bill will not save seniors or the government money. The bottom line is that this bill is more about politics and partisanship than it is about partnership and lowering prices for prescription drugs.

Rather than the ''Medicare Prescription Drug Price Negotiation Act,'' a more appropriate name for this bill might be, ''The Government Price Control and Limited Access to Drugs Act.'' Price controls, which supporters of this bill advocate, lead to shortages and denial of access to many drugs.

Robert Reischauer, appointed by Democrats as the Director of the Congressional Budget Office (CBO) from 1989 through 1995, had this to say recently about the Medicare Prescription Drug plan and the Democrats' proposed legislation (H.R. 4):

People said it's going to cost a fortune. And the price came in lower than anybody thought. Then people like me said they're low-balling the prices the first year and they'll jack up the rates down the line. And, lo and behold, the prices fell again. And the reaction was, ''We've got to have the government negotiate lower prices.'' At some point you have to ask: What are we looking for here?

In other words, Mr. Reischauer, who now works for the liberal-leaning Urban Institute, says that we have already achieved in the current plan what the Democrats say they want to achieve with H.R. 4.

Further undermining the Democrats' claim is the January 10, 2007, cost estimate and analysis of their bill by the CBO concluding that H.R. 4 would not save seniors or the government money. The Democrats had hoped to use any savings for additional government spending. The problem is CBO says there will be no savings. Quoting from that analysis:

. . . the Secretary would be unable to negotiate prices across the broad range of covered Part D drugs that are more favorable than those obtained by PDPs under current law. [PDPs are the current private plans available to seniors under Part D.] [T]he Secretary . . . would lack the leverage to obtain significant discounts in his negotiations with drug manufacturers. . . . [P]rices for covered Part D drugs would continue to be determined through negotiations between drug manufacturers and PDPs. . . . PDPs have both the incentives and the tools to negotiate drug prices that the government, under the legislation, would not have.

CBO, economists and Republicans understand basic economics: When you have no tools at your disposal at the negotiating table, you have no leverage and no ability to achieve your goals. The Democrats removed from their bill the most important tool in lowering prices. This is the very tool that PDPs have used very effectively—their ability to establish a formulary for their plan that includes some drugs while excluding others. Absent the ability to exclude some drugs from their prescription drug plan, the government has no leverage to achieve lower prices. When seniors were told that the Democrats were planning to establish a plan that excluded some drugs, 89 percent of seniors said they would object to such a plan. It was this strong reaction from seniors that led Democrats to drop this plan.

It is this ability to exclude hundreds of drugs that enables the Dept. of Veterans Affairs (VA), Dept. of Defense (DOD) and Medicaid to negotiate prices with manufacturers. The VA also saves money by requiring that over 80 percent of VA prescriptions be filled by mail order and by limiting access to local pharmacies. The VA approved drug list includes less than 40 percent of drugs approved by the FDA since 1990, and less than 20 percent of drugs approved by the VA since 2000. VA drug prices also do not include the costs of administering the program or paying for pharmacy services. The tradeoff for those in these programs is that they have access to far fewer than the 4,300 drugs currently available to seniors across the Medicare drug plans. Eighty-nine percent of seniors do not want the government to apply such restrictions to Medicare.

The good news for seniors is that currently there is negotiation for drug prices by those who have the leverage and tools at their disposal to secure better prices for seniors and the government. The various Medicare Part D [PDP] plans do negotiate with drug manufacturers for drug prices and they do so in a vigorously competitive environment. Each of these plans has a drug formulary (list of drugs available to enrollees in that plan) and manufacturers know that if they do not provide Part D plan with a reasonable price, their drug will not be offered in that plan resulting in the loss of drug sales for their drugs. These Part D private plans have the ability to leave the negotiating table and exclude drugs from their plan and this has lowered drug costs significantly. Medicare recently released a study showing that estimated costs of the Part D program have fallen by over $100 billion, primarily due to the ability of plans to negotiate savings.

Under the current program, once these plans have completed their negotiations, seniors are able to review the plans to see which plan best meets their needs in terms of drugs, including copayments, deductibles, and other factors. My constituents in Florida District 15 have dozens of different plans from which to choose.

There is a saying that, ''You don't fix what ain't broken.'' Given that over 80 percent of seniors are satisfied with their current plan, it is safe to assume that it isn't broken. Unfortunately, for Part D beneficiaries, the Democrats' bill amounts to choosing partisanship over partnership. Now-Speaker PELOSI said of the Republican Medicare Drug Plan back in 2003: ''The Republican plan is a plan to end Medicare. I urge my colleagues to reject this raw deal for America's seniors.'' Contrary to her dire prediction, it has turned out to be a very good plan for seniors as the average senior is saving hundreds of dollars per year.

Mr. LINCOLN DAVIS of Tennessee. Mr. Speaker, I support H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007, and its goal of reducing prescription drug prices for both the Medicare program and its beneficiaries.

Just like any new program, the current Part D benefit has its flaws. Make no mistake, however, the current Medicare prescription drug benefit has gone a long way in providing desperately needed assistance to seniors in Tennessee and across America in paying for their prescription drugs. Though far from perfect, the original bill passed in 2003 represented a breakthrough and an important milestone in the Nation's commitment to strengthen and expand health security for current beneficiaries and future generations. As a representative of an extremely rural district, the provisions that directly impacted my rural constituency were too good to vote against. Had I voted against the legislation, I would have essentially voted against my constituents, and I was elected to protect them.

Tennessee's Fourth District has a little over 27,000 elderly individuals with incomes less than 150 percent of the federal poverty level. The current benefit has directly assisted them in scaling down the cost of medicine and, as a result, has provided much needed assistance for low-income individuals. In fact, as of November, over 50,000 Tennesseans had been deemed eligible for the low-income subsidies provided by the original legislation.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has directly impacted each of the 435 congressional districts in a unique way. While there is room for improvement, no one can deny that Part D has made great strides in helping our seniors to afford prescription medications. I applaud the program, but like my colleagues, I am committed to strengthening the benefit.

Mr. VAN HOLLEN. Mr. Speaker, I rise in strong support for the Medicare Prescription Drug Price Negotiation Act of 2007, H.R. 4.

This legislation is long overdue. Quite simply, H.R. 4 repeals the provision in current law that prohibits the Secretary of Health and Human Services (HHS) from negotiating with drug companies for lower prices for those enrolled in Medicare prescription drug plans and instead requires the Secretary to conduct such negotiations. As it stands right now, Medicare is the only entity in this country that cannot bargain for lower drug prices. The states, Fortune 500 companies, large pharmacy chains, and the Veterans' Administration (VA) all use their bargaining clout to obtain lower drug prices for the populations they serve.

It is quite astonishing that the current law prohibits Medicare from negotiating for lower prices while the VA is able to negotiate for lower prices for veterans. By not allowing Medicare to negotiate for lower drug prices, the responsibility for moderating drug prices is in the hands of the private drug plans that participate in Medicare. With the failure of private plans to deliver lower drug prices, Medicare

beneficiaries end up paying higher out-of-pocket expenses. This failure is also a burden on taxpayers, as they pay approximately three-fourths of the costs of the Part D program.

We simply cannot rely solely on private market competition to secure lower drug prices for Medicare beneficiaries. In fact, a recent report conducted by Families USA found that Medicare Part D drug prices are much higher than those obtained by the VA. This comprehensive study determined that for half of the top 20 drugs prescribed to Medicare Part D beneficiaries, the lowest price charged by Part D insurers is at least 58 percent higher than the same drugs provided to veterans by the VA. It is obvious that the pharmaceutical companies participating in Medicare Part D have failed to achieve what former CMS Administrator Mark McClellan claimed, ''the best discounts on drugs.'' We can, and must, do better in lowering drug prices in the Medicare Part D program.

We must stand up for seniors and people with disabilities and give Medicare the ability to get the lowest possible prices for its beneficiaries. America's seniors and taxpayers will benefit from this legislation. I urge my colleagues to support the Medicare Prescription Drug Price Negotiation Act of 2007.

Mr. SIRES. Mr. Speaker, I rise in support of H.R. 4, the Medicare Prescription Drug Negotiation Act of 2007. A bidding process exists for contracts and other goods and services at every level of government. As a former Mayor, my experience tells me that bidding and negotiations almost always leads to lower prices, which in turn saves the government and, ultimately, the taxpayers money.

Today we have the opportunity to allow the government to negotiate and follow a purchasing process that is similar to the ones used by local and state governments as well as the Federal Government. Having already allowed Veterans Affairs this type of negotiation authority, there is no reason why Medicare should not have the same authorization.

I do not believe this authority is going to limit the choices for Medicare beneficiaries as some of my colleagues on the other side of the aisle have suggested. This legislation will not force the Secretary of Health and Human Services to restrict formularies and will not alter any of the current prescription drug plans. Rather H.R. 4 will help seniors get lower prices on prescription medications under Medicare and that is why I will vote for this bill today.

Mr. Speaker, I urge all of my colleagues to support H.R. 4.

Mr. MARKEY. Mr. Speaker, I rise today in support of H.R. 4, The Medicare Prescription Drug Price Negotiation Act.

We've heard about how Wal-Mart reduces costs through the purchasing power of their ''Sam's Clubs.''

Well today we are establishing ''Uncle Sam's Club'', a smart way of pooling the enormous purchasing power of the Medicare program and enabling the Secretary to drive down the cost of prescription drugs through negotiation.

Fortune 500 companies and large pharmacy chains all across the country negotiate for better drug prices on behalf of their patients.

It is now time for the Secretary of HHS to do the same on behalf of millions of seniors in the Medicare program.

When the Republicans passed their prescription drug bill, they explicitly prohibited the Secretary of HHS from negotiating with the pharmaceutical industry to get better drug prices for seniors.

They seem to have forgotten that the government is supposed to work for the public interest, not the special interests. Unfortunately, it has become necessary to remove that giveaway to the special interests and remind the Secretary of his public interest obligations. In this bill we require the Secretary to work on behalf of seniors and people with disabilities to make sure they get the best possible deal on prescription drugs.

The Republican's prescription drug bill has failed to get the cost of prescription drugs under control. Last year drug prices rose at twice the rate of inflation.

The Medicare Prescription Drug Act was supposed to help seniors pay for their prescription drugs, but instead it became a means to keep drug prices and company profits at record high levels.

It is long past time for the Secretary to use his negotiating power to help seniors avoid choosing between buying the drugs they need and paying for their rent or food.

Vote for your constituents for a change. It is good medicine. Vote for H.R. 4.

Mr. HASTERT. Mr. Speaker, in 2003, for the first time in history, this Congress was able to pass historic legislation providing comprehensive prescription drug coverage under the Medicare program. When we debated this legislation we heard from our Democrat colleagues on how it won't work. It will be too complicated, confusing, frustrating for seniors and they will pay high premiums and deductibles for minimal benefits.

Then Part D went into effect. Again we only heard from the other side of the aisle with tales of unsatisfied seniors who had no help to guide them through the process.

Now just a little over a year after Medicare Part D was implemented we find ourselves talking about this program again. So let's talk about Part D Mr. Speaker. Let's talk about the 22.5 million seniors who just over a year ago had no prescription drug coverage. Let's talk about recent polls that show 80 percent of those covered say they are in fact satisfied with the program and the benefits they are receiving. And we know they are satisfied because they are spending far less money out of pocket. On average, seniors are paying less than half of what they were just a year earlier when they had no drug coverage at all, many are saving even more.

In fact Mr. Speaker, I recently received an email from a constituent of mine in Elgin, Illinois, Mr. Ted Whittington. Ted just wanted to thank the Congress for their leadership in providing the prescription drug plan because of what it meant for his family. See Ted's mother takes medication that cost them nearly $700 a month placing a great deal of financial strain on the family. When they enrolled her in Part D it immediately reduced those monthly costs to $170—cutting costs 70 percent. This is just one of the many success stories I have had the pleasure of hearing about from my constituents back home in Illinois.

Before us today is a bill that will take Medicare Part D in the wrong direction by removing the free-market tools which are keeping prices low. H.R. 4 would replace the free market with price controls. Price controls didn't work with gasoline in the 70s and isn't the answer for Part D. It won't help seniors. It won't help taxpayers.

In fact, CBO confirms price control mechanisms aren't practical for Part D. Just this week they reported to Congress once again that giving power of price control to the Secretary would have a negligible effect on lowering prices. Our Democrat colleagues know this, standing before this House time after time voting against the very price controls they seek to pave the way for today. They did so for one simple reason—price controls do not work.

In nearly every way, H.R. 4 undermines the thriving Medicare Part D program that is helping millions of seniors. A price control system will limit the amount of drugs available to seniors while keeping them from being able to get their prescription filled when and where they want. And these changes would be far-reaching, increasing drug costs for veterans, slowing the course of new drugs available on the market, and diminishing the health and well being of those it seeks to help.

Mr. Speaker, my Democratic colleagues refuse to admit the truth to the American people—Medicare Part D is working. For seniors, Part D simply means affordability and access to their prescription drugs. From community pharmacies to mail order, seniors around the country get the prescriptions they need at prices they can afford. Instead of giving credit for a job well done and reaching across the aisle to build off the successes of this Republican-led program, the new House leadership would rather play politics and dismantle the Medicare Part D program.

Mr. Speaker I urge my colleagues to vote ''no'' on H.R. 4 and let us get to work on solving problems—not creating new ones for the American people.

Mrs. TAUSCHER. Mr. Speaker, I rise today to speak on behalf of America's senior citizens.

We in the Congress have a duty to provide the Secretary of Health and Human Services with all the tools necessary to grant seniors continuous access to affordable prescription drugs.

This legislation, which I support, helps move in that direction.

However, we must be careful that our actions do not restrict seniors' access to medicines prescribed to them by their doctors.

And we must be careful to ensure that any changes to Part D do not diminish the ability of life sciences and biotechnology companies to continue innovation—innovation on the drugs that are extending and improving the quality of life for countless people around the globe, and innovation on future research that holds limitless promise.

I also firmly believe that limiting formularies is not the way to go because it has a direct impact on limiting choice to seniors.

We also need to address the donut hole created by the Republican-authored Medicare bill.

It is wrong that we provide seniors help with their drugs, and then suddenly—that help stops. Coverage needs to be continuous.

I look forward to working with my colleagues to rectify this problem. Our seniors deserve it.

Mr. HONDA. Mr. Speaker, I rise today in support of H.R. 4, the Medicare Prescription Drug Price Negotiation Act of 2007. I commend Speaker PELOSI and Representative

DINGELL for bringing this important legislation to the floor for consideration.

I strongly believe that Medicare should ensure that seniors have access to the drugs and biologics they need. I applaud the leadership's effort to avoid the use of government price controls and restrictive formularies, while broadening the effort to make medication more affordable for our seniors.

It is critical that the Secretary structure the negotiation process so that the result does not limit seniors' access to both proven and new therapies.

Small, emerging biotechnology companies are researching and developing cures for cancer, Alzheimer's, multiple sclerosis and other devastating diseases. The majority of these companies are small companies without approved products, which are highly reliant on the public and private capital markets.

As Medicare negotiates prices, we must be careful to protect this important research, which is costly and takes a long time to come to fruition but has added much to our quality of life.

I believe that this legislation is an important first step in achieving important cost savings for our seniors and urge my colleagues to support it.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to Section 510 of House Resolution 6, the bill is considered read and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BARTON OF TEXAS

Mr. BARTON of Texas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BARTON of Texas. I very certainly am.

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

The Clerk read as follows:

Mr. Barton of Texas moves to recommit the bill H.R. 4 to the Committees on Ways and Means and Energy and Commerce with instructions to report the same back to the House forthwith with the following amendment:

In subsection (i) inserted in section 1860D-11 of the Social Security Act (42 U.S.C. 1395ww-111) by section 2(a) of the bill, redesignate paragraphs (3) and (4) as paragraphs (5) and (6), respectively, and insert after paragraph (2) the following:

''(3) ASSURING CONTINUED ACCESS TO COVERED PART D DRUGS AND PHARMACY NETWORKS.—In carrying out paragraph (1), the Secretary shall not (directly or indirectly) restrict or otherwise limit any of the following:

''(A) ACCESS OF BENEFICIARIES TO COVERED PART D DRUGS.—The access of part D eligible individuals enrolled under prescription drug plans or MA–PD plans to any covered part D drug, such as any oral cancer drug, any antiretroviral therapy for individuals with the human immunodeficiency virus or acquired immune deficiency syndrome (HIV/AIDS), any drug for a mental health illness, any drug to treat a neurological disorder (such as Alzheimer's disease or Amyotrophic Lateral Sclerosis), or any immunosuppressant drug to safeguard organ transplants.

''(B) ACCESS OF BENEFICIARIES TO NETWORKS OF CHAIN AND COMMUNITY PHARMACIES.—The access of such individuals enrolled under such plans to networks of chain and community pharmacies that provide convenient and timely delivery of covered part D drugs, whether or not such restriction or limitation is in the form of restricting delivery of such drugs to mail order, imposing increased cost-sharing, restricting the quantities of such drugs to be dispensed, or lowering the dispensing fees paid to such pharmacies.

''(4) PROTECTION AGAINST INCREASING DRUG PRICES FOR VETERANS.—In carrying out paragraph (1), the Secretary shall not thereby increase prices for prescription drugs for any identifiable group of citizens of the United States.''.

Mr. ROSS (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

Mr. BARTON of Texas. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk continued to read the motion to recommit.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas is recognized for 5 minutes in support of his motion to recommit.

Mr. BARTON of Texas. Mr. Speaker, I want to apologize to Mr. ROSS if he thought I was being rude to him. I wasn't.

We only have 5 minutes on motions to recommit, and I wanted the Members to hear the motion and hopefully others that may be following the proceedings, because it is very short and it is also very simple.

We have already heard from the Congressional Budget Office, which is nonpartisan, that the bill before us is not going to save any money in its current form. Having said that, since it is not going to save money, it could still do irreparable harm, if in these negotiations, if they were ever to occur, the Secretary, in trying to save money, would have to look at the following areas:

First, he would have to look at some of the very expensive drugs that serve small segments of our population like the HIV drugs and some of those type of drugs. We don't want that to happen, so we explicitly preclude that.

He would also have to look at access. The VA program that has been touted as an alternative to Medicare part D, in spite of the fact that over a third of the veterans choose Medicare part D, it achieves many of its savings, number one, by restricting the formulary; and, number two, requiring that most of the drugs be delivered via mail order. In other words, you don't have that local pharmacy point of access. So this motion to recommit explicitly says you have to maintain that access.

It also says you can't impact groups like the veterans or any recognizable group that may have a group plan, because we don't want to squeeze, if you start trying to save money somewhere else, you may squeeze them and raise their prices.

So this is a very straightforward motion to recommit. We simply say if you are going to give the Secretary of HHS all this negotiating authority, let's be careful that, in doing that, we don't hurt all these other segments of our population.

Mr. Speaker, we have heard a lot of political rhetoric today. That is not surprising because the Democrats have made this a political debate and not a debate on substance. That is unfortunate because this issue is too important to too many Americans.

There has been a lot of discussion about what this bill does and does not do; the truth of the matter is we don't really know. This bill has been the subject of no hearings; we have heard from no witnesses; we have had no subcommittee or full committee markups; we have had no opportunity to debate or even offer amendments. In fact, the Energy and Commerce Committee didn't even have its first meeting until 2 days ago.

Mr. Speaker we do know something about the successes of Medicare part D. We know that tens of millions of our seniors have access to prescription drug coverage for the first time; we know that tens of millions more are saving money when they buy prescription drugs. We also know that seniors can choose from competing plans, have access to the approximately 4300 prescription drugs available, filled at pharmacies of their choice.

Proponents of H.R. 4 claim that it will have no impact on beneficiaries' access to pharmacies or to the range of drugs they may take. If that is true then they should all vote in favor of the Motion to Recommit.

The motion is simple but critically necessary. The motion guarantees seniors access to all drugs that are available under the current program; the motion ensures that seniors suffering from cancer, ALS, Alzheimer's, and other debilitating diseases get the drugs they need. The motion guarantees that our seniors have access to new and innovative treatments as they become available.

The motion ensures that the government cannot limit or restrict beneficiary's access to their local pharmacies; seniors should be able to get their prescriptions filled at pharmacies of their choice.

Finally, the motion ensures that the legislation will not end up increasing the cost of drugs for veterans or any other group of Americans.

I urge all Members to vote in favor of preserving access to drugs and local pharmacies. Vote in favor of the Motion to Recommit.

Mr. Speaker, I would like to yield to the distinguished ranking member of the Ways and Means Committee (Mr. MCCRERY) for 2 minutes.

Mr. MCCRERY. Mr. Speaker, I don't believe, based on the evidence, that the Democrats' plan can reduce prescription drug prices without reducing seniors' prescription drug choices, or without devastating local pharmacies, or without raising drug prices for our veterans.

Now, they claim that won't happen. They claim they can reduce prices without doing all those things. Well, the motion to recommit gives them a

chance to put their vote where their mouth is.

One of the things we should be most proud about in the part D program is that it mandates that drugs for certain terrible illnesses be available. Our motion is simple. It would require that whatever government-negotiated plan emerges from this Democratic legislation must also ensure continued access to medications for those illnesses.

The Republican motion says that for cancer, HIV/AIDS, mental illness, Alzheimer's, ALS, or Lou Gehrig's disease, you have got to have those drugs in those plans. You can't restrict them.

The second part of our motion deals with community pharmacies. In the VA system, 80 percent of prescriptions are filled by mail, and the rest of them are gotten at VA centers, veterans hospitals and the like. How many people in this Chamber are willing to ask seniors to give up talking to their pharmacists?

□ 1345

If you aren't, and I suspect most of you aren't, then vote for the Republican motion to recommit. We guarantee that they will be able to talk to their local pharmacists.

Third part of our motion seeks to protect America's veterans. This motion would ensure that requiring the HHS Secretary to negotiate Medicare prescription drug prices would not directly result in increasing drug prices for veterans, because as we have seen in the past, when the government gets involved in setting prices in other areas, prices to veterans go up. This motion to recommit won't allow that to happen with prescription drug prices for veterans.

So if those things are what you believe, and what you want, just vote for the Republican motion to recommit, and you will ensure that those guarantees are in the legislation.

Mr. BARTON of Texas. Mr. Speaker, may I inquire, do I have any additional time?

The SPEAKER pro tempore (Mr. BOSWELL). The gentleman has 30 seconds.

Mr. BARTON of Texas. Mr. Speaker, I would yield that to Mr. STEARNS of Florida, 30 seconds.

Mr. STEARNS. I thank the chairman.

Mr. Speaker, the motion to recommit will mean that under section 4, the Secretary's actions shall not result in drug price increases paid by veterans. This means, my colleagues, includes the Department of Veterans' Affairs or veterans themselves.

Certainly what both distinguished chairmen have mentioned is clear. I think that all Members should understand that. I support the motion to recommit.

H.R. 4 will most certainly increase VA drug prices. (1) This happened in 1990, Congress gave Medicaid access to VA, shooting up some VA drug prices 300 percent. (2) Next, when the Clinton Administration's Office of Personnel Management tried to expand VA's discounts to a group within FEHBP in 2000, Clinton's own VA balked, as did a witness from Disabled American Veterans. (3) Just recently former Clinton Administration VA Acting Secretary Hershel W. Gober, wrote in a 2004 issue of DAV Magazine that VA estimated in 1999 ''extending discounted government prices to Medicare would increase VA's annual drug costs by $500–$600 million''.

Please don't turn your back on the brave men and women who defend our Nation. Support this motion to recommit in order to ensure that H.R. 4 will not adversely affect drug prices for veterans.

Mr. ROSS. Mr. Speaker, I rise in opposition to this motion to recommit.

The SPEAKER pro tempore. The gentleman from Arkansas is recognized for 5 minutes.

Mr. ROSS. Mr. Speaker, I don't really know where to begin. My wife is a pharmacist. We own a family pharmacy back home in Prescott, Arkansas. Just minutes ago she shared with me by telephone that she had to turn her television set off because she has heard so many untruths and misinformation coming from the Republican side of the aisle during this debate here today.

But let me be clear about this: A ''yes'' vote for the motion to recommit is a vote for the big drug manufacturers, and a ''no'' vote on the motion to recommit is a vote for America's seniors. Now, today we are trying to correct a wrong that occurred back in 2003. Let us reflect back for a moment.

We passed the so-called Medicare part D prescription drug benefit back in 2003, some 500 pages, gave us less than a day to read it and somewhere around 50 or 60, they actually, the Republican leadership actually put language in the bill that says the Federal Government shall be prohibited from negotiating with the big drug manufacturers to bring down the high cost to medicine for America's seniors.

That is in the bill, and that is what today we are fixing, and then, to be sure the big drug manufacturers would not have to lower their prices, the Republican leadership back in 2003, they decided that they would spread all 43 million Medicare beneficiaries, over 30 companies, offering more than 1,200 private plans, so no plan and no company would be able to negotiate on behalf of very many seniors. That is what they did.

Now we know, Mr. Speaker, now we know why back in 2003 the vote on this occurred at 3:00 in the morning. Now we know why the vote took 3 hours for passage.

Today, Mr. Speaker, we are letting the sun shine on our seniors, and on the way we conduct business in this Chamber as we hold the big drug manufacturers accountable and bring down the high cost of medicine for America's seniors.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. BERRY) for 2 minutes.

Mr. BERRY. I thank the gentleman, my colleague and friend.

Mr. Speaker, as I have listened to this debate, and I am the only registered pharmacist in the 110th Congress. I can tell you one thing for certain, my distinguished colleagues across the aisle, while well meaning, absolutely don't know turnip greens from butter beans about what they are talking about.

They have claimed to be concerned about our seniors. They have claimed to be concerned about our neighborhood pharmacies. Their bill, passed in 2003, assaulted our seniors and our neighborhood pharmacies.

I assure you, that bill has done more to threaten those small businesses and the health care and well being of our senior citizens more than anything that is ever been done by this United States Congress, and they should be ashamed of themselves. They should be running to punch the green light as we come to the conclusion of this debate.

It was their party that held the vote open for 3 hours just for the opportunity to perform this assault on our seniors and on our neighborhood drugstores.

If they were concerned, they would not have passed that bill. They would not have made it possible for the PBMs to rob our neighborhood pharmacies and our senior citizens.

I can tell you this, our pharmacists provided millions of dollars in medicine out of the goodness of their hearts and a moral obligation to see that the senior citizens of this country were taken care of when this plan was implemented.

They did some wonderful humanitarian work. They deserved to be treated better than what this Medicare modernization act did. They are the victims, along with our seniors. The Republican motion to recommit is nothing more than charade intended to prevent Medicare from providing lower drug prices to our senior citizens.

I urge everyone in this House and everyone that cares about our senior citizens and the cost of prescription drugs to vote ''no'' on the motion to recommit and to vote ''yes'' on H.R. 4.

Mr. ROSS. Mr. Speaker, I would inquire, how much time do we have remaining?

The SPEAKER pro tempore. The gentleman has 30 seconds remaining.

Mr. ROSS. Mr. Speaker, reclaiming my time, I now yield the remainder of my time to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, let me take this opportunity first of all on the charges that were made on the other side indicating that the prices for the veterans would rise is false and not correct. H.R. 4 does not require that the manufacturers extend the VA prices to Medicare.

Why we are here today is to make sure that our seniors are well taken care of, to make sure that they are having the same opportunities that our veterans would have. What's wrong with allowing our taxpayers to have a better rate? What's wrong with allowing our seniors to have better rates?

Those are the most vulnerable of our communities. I ask you to vote ''aye'' on this bill.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. BARTON of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 196, nays 229, not voting 10, as follows:

[Roll No. 22]

YEAS—196

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Jo Ann
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Space
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—229

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wynn
Yarmuth

NOT VOTING—10

Buyer
Gillmor
Hastert
Levin
Loebsack
McHugh
Miller, Gary
Norwood
Radanovich
Wu

□ 1414

Mr. EDWARDS, Mr. ABERCROMBIE, Ms. CORRINE BROWN of Florida, Mr. SCOTT of Georgia, Ms. HOOLEY, and Mr. FATTAH changed their vote from ''yea'' to ''nay.''

Mr. BURTON of Indiana changed his vote from ''nay'' to ''yea.''

So the Motion to Recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. NORWOOD. Mr. Speaker, on rollcall No. 22, on Motion To Recommit With Instructions (H.R. 4), had I been present, I would have voted ''yea.''

The SPEAKER pro tempore (Mr. BOSWELL). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. BLUNT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 255, noes 170, not voting 10, as follows:

[Roll No. 23]

AYES—255

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Burton (IN)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Jo Ann
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Fossella
Frank (MA)
Giffords
Gillibrand
Gonzalez
Goodlatte
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Lewis (GA)
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (FL)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Perlmutter
Peterson (MN)
Petri
Platts
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes

Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOES—170

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (MI)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Pickering
Pitts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Young (AK)
Young (FL)

NOT VOTING—10

Buyer
Gillmor
Hastert
Kirk
Levin
Loebsack
McHugh
Miller, Gary
Norwood
Radanovich

□ 1422

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KIRK. Madam Speaker, on rollcall No. 23 I was unavoidably detained. Had I been present, I would have voted "aye."

Stated against:

Mr. NORWOOD. Madam Speaker, on rollcall No. 23, on passage of H.R. 4, had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. LOEBSACK. Madam Speaker, due to a death in the family I missed two votes on Friday, January 12, 2007. Please note in the appropriate place in the CONGRESSIONAL RECORD that had I been present, I would have voted as noted below.

Rollcall Vote 22: "nay."

Rollcall Vote 23: "aye."

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. EMANUEL. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 60) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 60

Resolved, That the following named Members be and are hereby elected to the following standing committees of the House of Representatives:

(1) COMMITTEE ON ARMED SERVICES.—Mr. Cummings (to rank immediately after Ms. Giffords).

(2) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—Ms. Matsui (to rank immediately after Mr. Lipinski).

Mr. EMANUEL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. KLEIN of Florida). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Mr. Speaker, I yield to the majority leader, Mr. HOYER, for a discussion of next week's schedule.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

On Monday, Mr. Speaker, the House will not be in session so that Members can join with their communities in observance of the birthday of Martin Luther King, Jr.

On Tuesday, the House will meet at 12:30 p.m. for morning hour debate and at 2 p.m. for legislative business. We will consider several bills under suspension of the rules. You will be getting notice of those, hopefully, by the end of the day. We will consider several bills under suspension. There will be no votes before 6:30 p.m., as has been our practice.

On Wednesday and the balance of the week, the House will meet at 10 a.m., although let me say to my friend that I may well be requesting again, as I did for today, unanimous consent that we meet at 9 on Friday. It has historically been the practice to wait until about May, the middle of May, when we get into heavy legislative business, to meet at 10 on Fridays if we were in on Fridays. My view is, however, and I want to say to all the Members, that it will be my intent to make every effort possible to have us adjourn on Fridays prior to or no later than 2 p.m. in consideration of Members' need to get back to their districts where they have events that are going on where they need to be. I want to tell my friend that we will, therefore, quite possibly ask for unanimous consent to come in at 9 rather than 10 next Friday.

In addition to other Suspension Calendar business, and all suspension bills, as I said, will be announced later today, the House will consider H.R. 5, a bill to cut in half the interest rates on student loans; and H.R. 6, a renewable energy bill.

In addition to that, I want to give notice to the House, and I have discussed this with Mr. BLUNT and have discussed it with the leader, Mr. BOEHNER, that NANCY BOYDA of Kansas is introducing a bill which will provide that Members who commit felonies while Members of Congress and in the course of their duties will be precluded from receiving pensions.

□ 1430

If they are receiving pensions, they will have those pensions discontinued.

That is obviously legislation which I think is appropriate. We have passed similar legislation that the majority proposed in the past. I believe this will pass with bipartisan support.

Mr. BOEHNER and I and Mr. BLUNT all agree we need to look at this carefully, even though it has already passed, and so we have talked to Ms. SLAUGHTER from the Rules Committee, and we will speak to Mr. DREIER and give him notice. I have not personally spoken with Mr. DREIER. But they will be considering this legislation on Wednesday, and we expect to have this bill on the floor next Friday.

In addition, it is quite possible again the House Administration Committee, and I am perhaps anticipating Mr. BLUNT's question, has jurisdiction over the Page Board, we will also have, we hope, on the floor on Friday legislation that will deal with the Page Board, oversight of the page system, and the various procedures we can put in place to make sure that our pages are protected and treated with the respect and care that they deserve and that their parents expect.

I tell my friend, that is the anticipated schedule for next week. As I said, we will make every effort and it will be my very strong commitment to the Members that every effort will be made to adjourn on Friday no later than 2 p.m.