The American people should be outraged that their President is holding the Congress hostage, trying to force us in order to get home to campaign, for us to grant a blanket amnesty to millions of illegal aliens which then in the long run will drain money from education benefits, drain Federal dollars from health care benefits, will make our Social Security and Medicare systems less stable.

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Why, because we put millions of new people into the system who have come here illegally from other countries. When they were in the other countries of course, they never paid into those systems. So granting an amnesty, blanket amnesty for millions of illegal immigrants is demonstrably against the well-being of our people; and Congress should stay here and fight to the last ounce of our strength to prevent this travesty from happening.

We have also compromised somewhat. We have said we will go along with the President and agree to a family reunion for those immigrants who are here legally now and have families and have been separated and overseas for a number of years waiting to get in and we will let them come into the country. There is a responsible number of people that we would then permit to come in for humanitarian reasons.

But to grant a blanket amnesty for millions, the last time we did this was 1986 and what happened after 1986? It was like a welcome sign had been lit over the United States, ''come on in'' to everybody in the world who would want to participate in our free society and receive government benefits, I might add.

What we had was a flood of illegal immigration that in my State of California has come close to destroying the viability of our health care system, of our education system. If we take a look at the education scores in California, much of it has to do with the fact that we have had a massive flood of illegal immigrants into our society and we have to pay for their education, even though they just arrived and never paid into our system. That is unfair to our people.

Mr. Speaker, we care about the people of the United States of America. Yes, we care for other people as well. And most immigrants, illegal and legal, are wonderful people. But this bill that the President is demanding insults those people who are legal immigrants, who have stood in line and proven to be our very best citizens because they have come here legally. They respect our laws and they love the United States of America. We cherish their citizenship. But we have made fools out of them if we grant amnesty to people who have just jumped the line and come into our country illegally, thumbing their noses at our laws.

We must resist the President's efforts to force this Congress to ignore the well-being of our own people and bring in millions upon millions of illegal immigrants and give them blanket amnesty. It is unfair. It is not right. We have agreed to a compromise here. We have agreed that we will have some family reunification and that is a responsible position, because it helps those people who are here legally and already in our country to unite with their loved ones. But a blanket amnesty is outrageous, and I ask the American people to pay close attention.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. HOEKSTRA. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby notify the House of my intention to offer the following motion to instruct House conferees on H.R. 4577, a bill making appropriations for fiscal year 2001 for the Department of Labor, Health and Human Services and Education.

The form of the motion is as follows:

Mr. HOEKSTRA moves that the managers on the part of the House at the conference on the disagreeing votes of two Houses on the Senate amendment to the bill H.R. 4577 be instructed to choose a level of funding for the Inspector General of the Department of Education that reflects a requirement on the Inspector General of the Department of Education, as authorized by section 211 of the Department of Education Organization Act, to use all funds appropriated to the Office of Inspector General of such Department to comply with the Inspector General Act of 1978, with priority given to section 4 of such Act.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. SCHAFFER. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby notify the House of my intentions to offer the following motion to instruct House conferees on H.R. 4577, a bill making appropriations for fiscal year 2001 for the Departments of Labor, Health and Human Services, and Education.

The form of the motion is as follows:

Mr. SCHAFFER moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4577 be instructed to insist on those provisions that—

(1) maintain the utmost flexibility possible for the grant program under title VI of the Elementary and Secondary Education Act of 1965; and

(2) provide local educational agencies the maximum discretion within the scope of conference to spend Federal education funds to improve the education of their students.

HEALTH CARE IN AMERICA

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Oklahoma (Mr. COBURN) is recognized for one half of the time remaining before midnight as the designee of the majority leader.

Mr. COBURN. Mr. Speaker, I rise tonight with the gentleman from Arizona (Mr. SHADEGG) to talk about health care in America. It is Sunday night. We are in Washington. The politics, rather than people, are front and center stage within the House and the White House and the Senate.

A lot has happened in the last 6 years since I have been in Congress, but nothing has happened to fix the real problems. I want to spend just a little bit of time creating a set of circumstances that the American public might hear tonight about where we find ourselves.

If Americans are in an HMO today or in an insurance plan that is a PPO, a Medicaid HMO or if they happen to be fortunate enough to have pure fee-for-service medicine, the one thing that they know is that over the last 10 or 15 years they have lost a tremendous amount of their freedom. They have no ability to choose the physician or the health care provider that is going to care for them. That very personal aspect of their life, they no longer have a choice.

If Americans are in Medicare, they cannot go outside of Medicare to a physician who would not take Medicare. They have no right to do that under the laws of Medicare. A doctor in this country today, if, in fact, they do not take Medicare and then treat a patient who is in Medicare, will be fined for treating that patient because they are not a contractor to Medicare, even though the patient might want to pay that money themselves.

The point I am making is that all of us, the vast majority of us, have lost a significant amount of freedom when it comes to making decisions about our own health care. That has been displaced by one or two or three other organizations. The first place it has been displaced is by the Federal Government. The second it has been displaced by the payer, it is actually a part of wages, that benefit, that health care, who is making that decision for the employee. They decide what group of doctors they can go to.

If Americans have Medicaid and are in a Medicaid HMO, they do not have the choice of going to the doctor that they want to. They will go to the doctors they are told to go to.

Mr. Speaker, we have lost a tremendous amount of freedom. We have heard a lot of discussion in the campaign rhetoric about a patients' bill of rights. I want to say that if we really had our freedom back, a patients' bill

of rights would not be necessary. And the way to get our freedom back is to allow each of us to have that benefit, and we decide personally what we do about our own health care. That is a huge step in the opposite direction the country is going.

The second thing I want to talk about is what we have been hearing in the political rhetoric of the campaign about prescription drugs. Every politician in the country has an answer on prescription drugs, except the right answer. The problem with prescription drugs in this country is they are too expensive. And the reason they are too expensive is because there is no longer competition within the pharmaceutical industry. There is no longer a true competitive industry in the pharmaceutical industry.

How do I know that? Because we have seen the studies. We have seen the collusion. We have seen the fines, hundreds of millions of dollars of fines being charged to pharmaceutical companies. A letter was sent over a month ago to the Attorney General of the United States asking her to look aggressively at competition in the pharmaceutical industry. She has yet to answer that letter that was sent by myself early this summer.

The fact is we know in America, in our competitive society, that the best way to allocate resources, to keep prices the lowest they can be, is to make sure we have competition. What is the politician's answer? Let us create a Government program. Let us create more Government control, rather than less.

Mr. Speaker, what we need to do in the pharmaceutical industry is to enhance and enforce the laws that we have today; and we will see pharmaceutical prices go down. The American public is subsidizing prescription drugs for the rest of the world. It is time that stopped. A Government program will not stop that. A Government Medicare program for prescription drugs will not stop that. All that will do is lower somewhat the prices for seniors and raise them for everyone else.

So if we continue to fix the wrong problems in our country, what we are going to have is a worse health care system, not a better one. Some people would like to see that because they believe the Government ought to be in control of all of it. I do not happen to be one that feels that way.

This House passed a bill this past year called the patients' bill of rights. It is extremely flawed in its ability to help patients and to put doctors back in charge, with their patients, of the care. It is a step in the wrong direction. We should not be doing a patients' bill of rights. What we should be doing is a patients' bill of fairness so that we own our health care, we make decisions about our own health care, and we are responsible for our own health care.

Those benefits that now come to us through an employer should come to us directly, allowing us to choose. As a Medicare patient, allowing them to choose. As a Medicaid patient, allowing them to choose. The only people who really have freedom of their health care, and they do not have much health care because they do not have insurance, but nobody is telling them who they can and cannot go to.

Mr. Speaker, our country was founded on liberty. We have lost tremendous liberty when it comes to health care in our country. A Government fix is not the answer. The answer is to reinstitute what we know works: Rigorous competition to allocate scarce resources.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Speaker, I will start here and then come down there and use some of those charts. I would like to pick up on some of the remarks that the gentleman has made. Most importantly, the key factor here is choice.

In the gentleman's remarks, he pointed out that most of us, at least most of us in the workforce, those who have a job, if we are lucky enough to have health care at this point in time, if we have health care coverage, we likely get that health care coverage through our employer. That is good, because it means we have health care coverage; and that is an advantage.

But there are some tragedies involved in that structure. First of all it means that thousands of Americans, tens of thousands of Americans, indeed 44 million Americans who are uninsured, they do not get the chance to get their insurance through their employer, so many of them do not have any insurance at all. That is not right, and we need to deal with the problem of the uninsured.

I think the right way to deal with it is to give them a refundable tax credit and let them go buy an insurance policy that is theirs, that is a portable insurance policy that belongs to them and lets them go buy the health care plan they want.

But the other problem with the other half of this structure is those people that get their insurance from their employer. The problem with that structure is we lose all choice. If we work for any employer in America large enough to buy health care insurance, we are offered either one choice or a fairly small list of choices, unless we work for a very, very large employer.

I like to talk about Joe Jordan's Mexican food restaurant, which is where my wife, Shirley, and I went on our second date. Joe Jordan and his family did not go into the Mexican food business because they thought they were good at buying health insurance. They went into the Mexican food business because they were good at making and cooking Mexican food. And yet under our structure today, Joe Jordan has to select the health insurance for his employees and they get no choice.

Mr. Speaker, we can change that. We could go back to a system where we gave individual people choice in health insurance and let them buy the health insurance that meets their needs. And the key to that would be if the plan they bought did not satisfy their needs, if they went out and bought an HMO because they thought it was the most cost-effective type of care they wanted and that HMO did not service their needs or do a good job by them or their family, they could fire that HMO and go hire another one.

The gentleman from Oklahoma said we would not need a patients' bill of rights if health care were a matter of choice, but it is not. We get it through our employers.

Earlier this year, I introduced legislation to give people choice, to let them buy a health care plan of their own, or to let their employer give them essentially the right to go buy with his funds their own health care plan. With that kind of choice, we would, as the gentleman said, we would not need a patients' bill of rights. Because if their HMO did not treat them right, they would fire that HMO and they would go buy an HMO that serviced them well and did a good job by them. Just like they do with their auto insurance company or homeowners insurance company or any of the decisions they make in there lives.

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But we are at the point where we are debating on the floor of this House, we have all year and indeed last year as well, the issue of a so-called Patients' Bill of Rights. I think it is important to talk about the differences and the choices in that legislation and why the bill that passed this floor is so bad and indeed would do damage to health care in America. I would like to do that with the charts down there, so the gentleman and I will trade places.

This chart right here kind of shows the fundamental question that faces America on the issues of health care for the working people of America who get a health care plan from their employer. It is a simple, straightforward question, ''Health care in America, who should make the decision?'' You get three choices: HMOs, lawyers, or doctors and patients.

I think the answer to that question is very obvious. I think doctors, together with their patients, ought to make medical decisions in America. But it is important to understand how the system works today. The system works today to say doctors and patients do not get to make the choice. No. The system today provides that HMOs make medical decisions; indeed, HMO bureaucrats often make medical decisions.

But somebody out there watching might say, well, why are lawyers on this chart? That does not make any sense. I thought it was a battle between HMOs on the one hand and doctors and patients on the other hand. Well, that is what one thinks it should be, but that is not what it is.

Because some of the legislation that has gone through this House and the legislation that the President talks about, the legislation that is discussed by our Democrat colleagues, would not leave power in the hands of HMOs. Indeed, it would take power away from HMOs. But, sadly, it would not move that power over to patients and doctors. It would instead move that power to trial lawyers. And that will set health care back rather tragically.

Since the gentleman is a doctor, perhaps he would like to comment on that.

Mr. COBURN. Mr. Speaker, there is no question today that oftentimes, and even as I have been in Congress as I have continued to practice medicine, proper care has been denied patients in my practice by HMOs and insurance companies.

It is not just HMOs, it is insurance companies, as well, that are making those decisions. And it is not necessarily medical personnel within those companies, but clerks, trained individuals who know how to read a check-off chart that decide who gets care and who does not.

I want to go back to what I talked about first. The greatest freedom we have in this country is the right to choose, the right to choose what kind of practitioner we are going to go to, whether or not we are agreeable to and satisfied with the individual that we have chosen to do very, very personal things with us as we manage our health care and do preventive health care. And in fact too many in this country have lost that right.

I do not believe the answer to it is to create another government bill. Although that may be a short-term solution, it fixes the wrong problem. The problem is not allowing people the tax credits, the deductibility and the options of making those choices themselves and, most importantly, also having a small financial responsibility associated with that.

One of the things that we know in medicine today is there is tremendous over-utilization. And one of the reasons it is over-utilized is because there is no personal cost to utilize it. And when we see that, what we know is we do not allocate the resource properly. So as individuals become empowered and they also take on a small portion of that responsibility, their decisions about how they utilize that asset and that service will change. But, most importantly, bureaucrats should not be making the decision and certainly not lawyers.

Mr. SHADEGG. Mr. Speaker, I certainly agree with the gentleman. It seems to me, if we can someday get to a system of choice where people can pick their own health care and fire it when it does not serve them well, whether it is an HMO or an insurance company, we will have advanced health care in America greatly.

But the gentleman in his remarks made clear that he thought the legislation which had passed this House earlier and the legislation which is being talked about, indeed our Democrat colleagues held a press conference just the day before yesterday where they talked about the tragic death of a Patients' Bill of Rights and how that legislation was vitally important, and they are talking about it in all their press conferences; and the President is saying, well, this Congress failed the American people by not passing a Patients' Bill of Rights.

The gentleman pointed out in his remarks, and I agree with him completely, that the Patients' Bill of Rights, which our colleagues on the other side of the aisle would like us to pass, is indeed fatally flawed. And there was a good reason not to pass that legislation and it is a reason that has never been discussed on the floor of this House, and I think it deserves to be discussed; and I think the American people need to know about it, and I think our colleagues need to know about it.

I put up another chart here, and it raises the same question, who should decide how doctors care for patients? Right now, as this chart illustrates, the standard of care in America is currently set by HMOs and HMO bureaucrats when they tell doctors how to care for patients.

How does that happen? Well, your doctor decides to recommend a certain level of care or treatment for you. He applies to the HMO for that and the HMO says no, largely and often through a bureaucrat. The HMO says, we do not think that is the proper care. We think something else is the proper care. Well, that is a structure under which the HMO tells doctors how to care for patients.

But let us talk about the bill that passed the floor here, the so-called Norwood-Dingell bill. What does that bill do? Does that bill empower doctors to set the standard of care and to decide how patients should be cared for, or does it not? The sad truth is it does not do that.

The Norwood-Dingell bill would, instead of allowing doctors to decide the level of care, the standard of care, what treatment a patient should be given, it says that lawyers should make that decision. That is a tragic decision. And it does that by saying that anytime a lawyer wants to, that lawyer can simply go out and file a lawsuit. He or she does not have to wait until the case has been reviewed by an independent panel of doctors to decide if the care should have been given by the HMO or, perhaps, if the HMO made the right decision. Instead, we skip that process and let the lawyer go straight to court, which means that the standard of care in America will not be decided by doctors, it will not be decided by doctors consulting with their patients, it will not even be decided by doctors consulting with an HMO. It will be decided by doctors filing lawsuits and going straight to court.

We believe, I believe strongly, where we ought to be is that the standard of care should be decided as a result of a review of a request for care by an independent external panel of doctors.

I am sure the gentleman has personal experiences with HMOs denying care that he requested for his patients.

Mr. COBURN. I do. I think, in fairness of the debate, I want to make sure that people are aware that, when that bill passed the House, I did indeed cast a vote for it. And there was a very good reason that I cast a vote for it. I thought we ought to move the process along to try to solve some of the problems. And it is very apparent to me that what I would like to see and I believe the gentleman from Arizona (Mr. SHADEGG) would like to see in terms of deductibility and people truly having choices across this country is not going to happen this year.

So then the question becomes should we do something in the meantime until we can put power of choice back into the hands of every American who needs health care.

I can relate an experience that to me that I think just shows the problems associated with managed care in this country, and it is denial of care that is recommended by a doctor when in fact, and this is a real incident and I will not go into the details of the case or the individual's name out of medical confidentiality, but needless to say, I had a patient who needed a diagnosis that was turned down. As it ended up, I ignored them and went on and did it anyway. And it was a cancer and it was identified. And then they were all too happy to pay for the procedures that they had been denied prior to that.

So how do we solve that? If you do not have an aggressive doctor that is going to buck the HMO and you have no external appeals panel, then the only way to solve that is to go to court. Well, that is not a good way to solve it because what happens is patients do not get treated. That is why the standard of care ought to be the professionally accepted standard of care across this country. That can best be decided not by an HMO bureaucrat and not by a doctor working for an HMO or managed care plan, because they quite frankly have a bias and that is for their employer, as it should be, but by three independent doctors. And every denial that is felt qualified by a doctor ought to have that chance to be reviewed by their peers to see if in fact that is the standard of care.

There is a couple things that come out of that. Number one, where we know this is working, which is in Texas now, is that 45 percent of the time the doctors on the panel say the doctor is wrong. What happens then? It improves the quality of care because it raises the level of knowledge of the doctor that was asking for something.

The 55 percent of the time when the plan is reversed, the patient gets the care that they need and the plan learns. So any system that is designed ought to be designed so that it advances care and lowers cost, not increases them. Delay in diagnosis, delay

in treatment is the number one cause of medical malpractice suits in this country today. And I would tell you that the managed care industry is tantamount to being a large portion of that because of the restrictions.

As my colleague has said, and I agree, we must have an exhaustion before we go to lawsuits before we are going to care for patients.

Mr. SHADEGG. We have put up a graph here that we developed to try to graphically illustrate this point. All of the legislation that has been here on the floor of the Congress and over in the Senate talks about a process, and the process is what should we do when a patient and his or her doctor make a request of the managed care organization or the HMO for care? How do we deal with that request? How does he process that request so that you get that request processed and get the right result?

I think the right result is the best possible care at the earliest possible moment. And it is true, doctors sometimes seek care that is not necessary. They seek care that the patient does not really need because they are being pressured by the patient. Indeed, someone argue some doctors seek care just to make the money from delivering that care. And I think we talked about that kind of abuse of the system. And managed care has done a good job of putting that in check.

I think another abuse that occurs is that doctors sometimes are not on top of the current standard of care. They do not know what is the best treatment for a particular condition because they have not read the literature and managed care again has stepped in and said, no, we are going to require you to do what is best.

But the real problem in this area is that the current structure where an HMO gets to decline a doctor who is asking for care and say, well, no, that care is not medically necessary and appropriate, the real demand for a Patients' Bill of Rights arises out of the potential for abuse, so that the managed care plan turns down the patient and his or her doctor requesting care on the basis that it is really not medically necessary and appropriate.

That vague term creates a loophole through which managed care companies can deny needed medical care for reasons that are not really medical but, rather, are financial, that is, to make the HMO's profit line or bottom line better.

How do we solve that? How do you correct that? Well, all of the legislation that has gone through here, the so-called Patients' Bill of Rights legislation, looking at this potential for abuse, an HMO declining care and saying it is not medically necessary and appropriate, when they are really not doing that for a good medical reason, they are doing that to save money, they are doing that to improve the HMO's bottom line.

All of this legislation has talked about is structure. There should be a doctor and their patient. They make an initial claim. Having made an initial claim and assuming it is turned down, they then go to internal review. The internal review is the HMO itself taking a look at that claim, hopefully this time through medical personnel, doctors, and saying, yes, the care is needed, go ahead and deliver it, or, no, it is not.

Now, everything is good up to that point. But the question is what happens if at that internal review by the HMO's own in-house doctors they say the care is not needed? Well, how do you determine if that was the right decision and the care really was not needed for medical reasons and some other care would be appropriate, or the care is not needed at all, or did they make that decision for the wrong reason? Did they decline the care just because they want to make a profit and they do not want to deliver the expensive care that is being asked for?

The legislation that I believe, and the gentleman just talked about this, the legislation that we feel is the important model here, and the flaw in the Norwood-Dingell bill occurs right here, what we believe has to happen at that point is that, when the HMO and its own doctors turn you down for the care and tell your doctor, no, you cannot have the care, we believe it is vitally important that the next step that you as a patient have a right to go to and you and your doctor have the right to go to is an external review panel, right here, an external review panel made up of three doctors who are completely independent of the plan and completely independent of you and your doctor. They are totally independent, and they have the ability and the expertise to review the claim.

They are essentially three independent medical arbiters who review your case, review what your treating physician said was needed, and review what the plan said and the plan's reasons for denying the care. Our goal is that that panel of three independent experts would say, you know what, this care is medically necessary and appropriate. Plan, you should deliver it. And it should be binding on the plan that they must deliver it at that point in time. That lets three independent doctors not controlled by the plan, not controlled by you and your doctor, get you the right decision at the earliest possible moment.

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That is a timely decision. That is a fast decision by that external review panel. If, in fact, they say the care is needed, then the HMO is bound by the panel's decision; and if you have been injured, you recover monetary damages. But the flaw in this system, the flaw that is in the other idea, is they do not want to require cases to go through this external review and that is illustrated right here on this chart of the Dingell-Norwood bill. This is a schematic, just like the other one, of the Dingell-Norwood bill. There is an initial claim just like is the case under the legislation we have advanced. Then there is internal review, and that is the next step and the plan's doctors get to review your case. Remember those are the plan's doctors. They are the ones with the incentive to deny care. That is the place where the abuse can occur.

Here is the key difference and here is why that patients' bill of rights, that our colleagues on the other side of the aisle want, what the President wants, is a tragically flawed proposal that will not help patients and will not help doctors. Right here at internal review instead of requiring that case to go quickly to external review, to a panel of three doctors who would say you get the care or you do not get the care, and you can recover damages if you have been injured, they create a loophole and it is the lawyer's loophole, and that loophole is all you have to do is to decide to talk to a lawyer and that lawyer gets to say, you know what, I do not want an external review because that external review by three independent doctors might turn my client down and if in an external review my client is turned down, my lawsuit is gone; my monetary damages are gone; that will destroy everything I want. So what have they done? They have written into the Norwood-Dingell bill that a lawyer simply steps in right here, the lawyer simply alleges injury, hey, my client has been injured, I think he has been injured and I am ready to go to court.

And at that point, the external review by doctors, the three independent doctors who are going to review that case, the three independent doctors who were going to set the standard of care and tell the HMO how they should be treating patients, that external review of doctors is gone. Instead, you know where that case is? That case is not quickly decided by an independent panel of three doctors. That case is moved into our courts, and everybody knows that courts and lawsuits take forever. It will take who knows how long to drive this case through that court and who knows how frivolous the case will be, but the lawyer now has a chance to extort monetary damages to try to make the case settle even if it is meritless.

What happens to the poor patient? The poor patient waits, but the trial lawyer does well. That is the fatal flaw in the Norwood-Dingell legislation that has been put here on the floor, that the gentleman from Oklahoma (Mr. COBURN) talked about. You just have to ask yourself if you want to empower patients and doctors, then should you not give that ability to an external review panel? On the other hand, why should you let lawyers decide which cases go to external appeals or which cases go straight to court? That is the flaw that the gentleman from Oklahoma (Mr. COBURN) was talking about in the Norwood-Dingell bill. It is a bill that is designed to get patients into courtrooms, not to get them care.

I think care has been a key component of what you have talked about in this important debate, and it is what the gentleman says, I think that the Norwood-Dingell bill is flawed because it will not get people care. It will get them a lawsuit.

Mr. COBURN. Mr. Speaker, I thank the gentleman for his comments. I want to go back to really what we opened with, because so much partisanship has gone on and so much of the politics that the American people are seeing today throughout have to do with the patients' bill of rights. As I understand the medical system industry profession and patients today, and by the way I just remind my colleague, as he knows, that I have continued my practice, since I have been in medicine, delivered over 400 children since I have been here in this past 6 years and have continued to engage the managed care industry when I have been at home, we should not be having this debate. If Americans truly had the freedom that they once had, we would not be having a debate. We would not be about fixing the wrong problem.

Mr. SHADEGG. Does the gentleman mean we will not be debating this complicated flow chart that they want to create as a matter of Federal law that is going to try to arbitrarily decide from Washington how to process these claims and kind of have a win or lose battle between doctors and insurance companies on the one hand and trial lawyers on the other hand? We would give that power to patients and let them choose?

Mr. COBURN. Well, if we think about it today, that if you are in a fee-for-service plan that you are paying for yourself, you have all of those rights. If you have no insurance, you have all of those rights today. The people that do not have those rights are in the programs that have been designed by the Federal Government and have been designed by the large corporations to try to control the costs. And there is no incentive for the individual consumer, who is a part of those systems, to help control the costs. So if in fact we move to a point where we had some personal responsibility and accountability and our health care was in our hands instead of some third party, whether it be the Federal Government or our corporation that we work for, which is a great benefit but, in fact, in today's time that is one of the things that is part of our remuneration is our health care.

The other thing I would say is that most Federal employees have those rights, too. They get fee-for-service. We give Federal employees a wonderful choice of options, and they can go fee-for-service and they have every right there that they have. How is it that Federal employees, except military and retired military, how come people who are in fee-for-service that are paying for their own have those rights but the rest of us who are dependent on a program no longer have that freedom? That is a basic question that Americans ought to be asking themselves any time they hear any politician during this election cycle talking about a patients' bill of rights. They are talking about the wrong problem.

Mr. SHADEGG. They are talking about a bureaucratic Government program that tries to mandate something from Washington, D.C., and I could not agree more with the gentleman. As the gentleman knows, I have introduced legislation that would let people choose their own health care.

Indeed, the legislation we introduced would say to an employee, whether they worked for Joe Jordan's Mexican Food, the one I talked about, the Mexican food restaurant in Phoenix, Arizona, or whether they worked for a large employer, Caterpillar Tractor, General Motors, whoever it was, would let that individual employee exercise choice so that they could hire or fire their health insurance plan based on their own decision, not their employer's decision.

I think, in discussing this issue, it is important to note that the current Federal Tax Code allows employers to give employees health insurance, and they are not taxed on that benefit. That is the reason that most people get their health care from their employer. If their employer gives them an extra thousand dollars, they pay taxes on that thousand dollars and they give somewhere around a third of it to 50 percent of it to the Federal or the State or the local government in income taxes. On the other hand, if their employer simply hands them a health care benefit worth a thousand dollars, they get that full thousand dollars in value.

The plan we are talking about, giving people choice to go buy the plan they want, actually is allowed under the current Tax Code. Under the current Tax Code, your employer can say to you, I am going to give you the $1,000 dollars or the $500 or the $1,500 or the $2,000 that I spend on your health care and as long as you go spend that on health care and confirm that fact back to your employer, it is not income to you and it is still a deduction to your employer. So we can move to a choice system. We can give people freedom if American employers will simply do it.

Mr. COBURN. It is really interesting. The tax bill that the President is saying that he is going to veto also adds, for those people who work for an employer who does not provide it, above-the-line deduction for their health care benefit. So what we actually are doing with the tax bill that is going to the President is, if you work for an employer that does not provide health care, we are giving you the same benefit we are going to give that employer. You are going to be able to deduct that above the line of your adjusted gross income so that you do not pay taxes on that income, and it becomes a straight deduction. That is another way of giving you freedom.

Mr. SHADEGG. We have talked about the flaw in the Norwood-Dingell bill which would allow a trial lawyer to step in, circumvent external review, take the power to set the standard of care away from doctors and take that decision to a courtroom, and why we think that is a bad idea here. Maybe we ought to talk about some of the other trade-offs that are going on here.

It is absolutely true that there are about 13 individual patient protections in the legislation, and I support those patient protections. They include things like the right of a woman to have an OBGYN as her primary care physician; the right of patients like my wife, Shirley, and I to have a pediatrician as our child's primary care physician; the right of all of us to go to an emergency room even if it is not an emergency room signed up with our HMO and get care. And each of those are important rights, but only important rights as long as we are trapped in a system where we cannot fire our HMO and hire one we want.

The reality be known, we would not need, as the gentleman has said, a patients' bill of rights. We would not need this complicated flow chart. We would not need to bring trial lawyers into the whole discussion. We would not need to be talking about cutting out the ability of doctors to set the standard of care if, as a matter of right, we could go as individuals, as employees of a company, and say, you know what, I do not want the HMO you picked for me. I want to go buy a plan that I can hire, a plan that I can fire, a plan that has already in it, and I get to pick it and I get to sign up for it, the right of my wife to see an OBGYN of her own choice; the right of she and I to pick a pediatrician as a primary care physician for our children; our right to go to an emergency room of our choice. If we had that kind of freedom, then we clearly would not need not only the liability scheme in this flawed Dingell-Norwood legislation, we would not need the patient protections.

Sadly, that is not where we are. We are debating yet one more massive government scheme to try to regulate the marketplace.

Mr. COBURN. I want to thank the gentleman for sharing this time with me. I look at the American health care system today. Prior to being a physician, I managed a fairly large business and my first degree is in accounting. As I look at the health care system in our country today, it reminds me of a Soviet-style run health care system, and here are some facts that people should know. That HMOs actually cost more for care than fee-for-service; a recent study, 18 percent more. Also it is funny that that 18 percent, that is the amount of money that comes out of an HMO for paperwork and profit. So only 82 percent of the dollars that are paid in to managed care actually ever go for care. If we could somehow in America through competition and efficiency make that 5 percent or 6 percent, we

would have 12 percent. Well, we are going to spend about $1.1 trillion dollars this year on health care, and if we take 12 percent of that, what you can see is that we would have about $150 billion to $160 billion that would go to care.

Well, nobody would be lacking in this country. We would be able to care for everybody that is not insured, everybody that does not have care today, if, in fact, we had a system that was not bound up in paperwork. I have almost 33 employees in my medical practice with three great partners that have covered for me since I have been here. Of that group, somewhere between 8 and 11 every day are doing nothing but chasing paper associated with health care. It has nothing to do with getting somebody well. It has nothing to do with anything except for us getting paid or sending something to lawyers or sending something to insurance companies. That is eight people that could be working to make somebody well. To me, I think that the fact that 18 percent of the dollars in the insurance managed care and HMO industry today are going for paperwork and profits rather than for care leaves a whole lot lacking. There is no wonder that we are having difficulty keeping up with the rising costs.

The last point that I would make is that the fastest growing segment in the cost of health care this year is prescription drugs. Our economy will not work unless we have competitive markets. There is no doubt, if you just get on the U.S. Government FTC's web site, you will find where they have four large pharmaceutical companies through the last year that have accounted for more than a billion dollars worth of price fixing, a billion dollars in excess prices. Well, that is 1 percent of the cost of pharmaceuticals this year are associated with price fixing that we know of, that there has already been consent decrees against. How much more is there?

The second thing that we know is that they are going to spend somewhere between $4 billion and $6 billion this year advertising on television. Who pays for the $4 billion to $6 billion? We do. What happens with that?

You see something, oh, I need that. So I go to the doctor so, number one, we are increasing utilization. What I have found in my practice is it takes me twice as long to take care of a patient that comes in because they want a drug from a prescription that they saw on TV because now I have to figure out is that the right drug for their symptoms? And if it is not, I have to convince them it is not the right drug. So I spend my time working against the advertising to get the patient what they really need.

The third thing is the pharmaceutical companies spend $5 billion a year courting doctors, and it ought to stop. They spend $5 billion buying lunches in doctor's office. They spend $5 billion for golf outings for doctors. They spend $5 billion on dinners for doctors. It is time the American people said that is enough. We do not need to pay $5 billion for benefits for doctors, $6 billion for television advertising, and let us get rid of the $1 billion to $5 billion in collusion.

If you add that up, we would see a 15 percent reduction in pharmaceutical prices, not a 15 percent increase.

Mr. SHADEGG. I take it instead what we are proposing is yet another Government program to pay for prescription drugs and to subsidize the cost of those drugs.

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I wholeheartedly agree with the gentleman that the answer to the problem is choice. Let patients have choice. Unfortunately, as is often the case, that is not in the debate in Washington right now. The debate as we enter the last 10 days of this political campaign is a debate over the failure of the United States Congress to deliver patient rights legislation and to pass what has now, I guess, become famous, since it was referred to by the Vice President in one of the debates, as the Dingell-Norwood or Norwood-Dingell bill, and that is the debate here.

Often we debate issues, and we are way behind the marketplace. The American people are ahead of us. That has become a political issue. Why has the Congress not passed Norwood-Dingell? The answer that we hear is, well, you cannot get through the Senate; there is a terrible problem with it. It is a vitally important piece of legislation for the American people.

As we kind of close out this discussion tonight, I think it is important to be sure that people understand that it is not a lack of resolve to take care of patients and doctors. The gentleman and I wrote a bill over a year ago, a patients' rights bill, because of this debate that has occurred in America, because of the abuses caused by HMOs; but that bill empowered doctors and patients to make health care decisions.

That bill said, as this flowchart I just showed illustrated, that every single case, every single case, where an HMO turned down somebody's doctor and said, no, you are wrong, the patient does not need that care, 100 percent of those cases would go quickly through initial claim, internal review and straight to an external review panel of three doctors.

Those three doctors had to be practicing physicians, a provision the gentleman insisted on. We did not want physicians who had not practiced in 20 years telling physicians currently practicing what they should be doing. We wanted physicians practicing right then. They had to have expertise in the area.

Those three doctors would say, Plan, you are dead wrong. When you denied that care that the treating physician said was necessary and you said you would not pay for it, you were wrong. That care should occur and occur now. Under our legislation, people would be able to not only get the care, but sue for the damages.

One of the things that made me angry in this debate is the current system in America says if an HMO governed by this Federal law called ERISA we are trying to amend, by their negligence, if they injure or kill someone, there is no recovery.

I have talked on the floor of this House about the tragic case of Florence Corcoran, whose baby was killed by a negligent decision by an HMO, and the Federal courts interpreting the current law said, we are terribly sorry, Mr. and Mrs. Corcoran, your baby was killed by the negligent decision of United Health Care; but under our law, you recover nothing.

The legislation we want to past will address this problem. If we cannot get to choice and freedom, we will say 100 percent of those cases go to a panel of three doctors. Mr. and Mrs. Corcoran would have gotten in front of three doctors, had a speedy decision. We would have set the standard of care, the baby would probably not have died, and the lawsuit would not be necessary.

The Dingell-Norwood bill, the bill that Vice President AL GORE said that America deeply needs, does not do that. It does not take the case to a panel of doctors; it takes the case straight into a courtroom, so that a trial lawyer can get rich.

I am not against trial lawyers. I believe in the tort system. I think when there has been an injury, they ought to recover. I wish the lawyer representing the Corcorans had won. They deserved to win. They deserved to recover.

That is not the answer that gets people care. The answer that gets them care gets them first to a review by an independent panel of doctors to say what care should be delivered. Then, if there has been a bad decision, there has been injury, then let it go to court. But do not destroy the system by letting it go straight to court and letting trial lawyers decide what the standard of care is.

Mr. COBURN. The other thing is, had Mrs. Corcoran had the freedom to choose and had she had her own health insurance as part of her benefit and her control, her baby would be alive today as well, probably.

I just want to summarize a couple of things. Number one, there are two real false claims out there in the political arena today. One is the only way to solve the prescription drug for seniors is to create a Federal program. I believe that is wrong. I believe in the long run all that does is hurt seniors, and it will hurt everyone else, because it fails to fix the real problem, lack of market, lack of competition, to allocate those resources.

The second thing is that we are required under the political arena that we have today to defend passing a Patients' Bill of Rights, and what has happened is we are about to pass a very

bad law. It passed the House. It has not passed the Senate. What will happen if what comes is a tremendous increase in costs, tremendous loss of insurance, and exactly the opposite direction.

Now, I happen to be cynical enough to believe there are certain people that want that to happen, because they believe we ought to have a government-controlled health care system. Believe you me, when we get that, if you love the post office today, wait until you see totally government-run health care.

There is not one individual that I talked to that knows anything about health care, from the pharmacist to the physical therapist to the operating room nurse to other doctors to nurses or employees in my office. When I mention the word HCFA, Health Care Financing Administration, they go ballistic, because HCFA does not know what is going on, but they are running all the rules. For us to create another system in which we hand more to HCFA is asinine.

Mr. SHADEGG. Mr. Speaker, I simply want to reiterate what you said. The reality is that many people want this very complicated scheme. They want a Norwood-Dingell bill to pass, not because they think that will take care of patients. They understand turning this whole system over to the trial lawyers, taking it away from HMOs, but not giving it to doctors, but rather giving it to trial lawyers, they understand that that will drive costs dramatically through the roof.

But that is not against their goal, because their goal is to have the current HMO system, to have the current health care system fail, and then to force America to turn to a single payer, Hillary-Care, one-system-fits-all, the Federal Government runs the health care system-type program.

I believe that will be a tragic flaw for this Nation. If we go to a flawed system that lets trial lawyers circumvent independent doctors making the decision, if we do not give patients the right to choose their own doctor, the net result is that costs will go through the roof and we will get to a single-payer system.

I want to thank the gentleman for allowing me to participate in this Special Order. It is important that our colleagues saw the flaw in this current patients rights legislation. I hope they will join us in passing legislation that would give people choice. Let them hire and fire their health care plan, the way they hire and fire their auto insurance plan or their homeowner's insurance plan, or, for that matter, the way they decide where they live or what brand of shoes or coats to buy. Give people choice, and they will take care of themselves.

Mr. COBURN. I thank the gentleman from Arizona (Mr. SHADEGG). It a pleasure to work with the gentleman, as usual. I appreciate all of the work he has done in health care in this Congress.

I think the American people ought to ask themselves one question, do I get to choose my doctor, my health plan, and, if not, why not? When you hear all of the political rhetoric, it will all pencil down to choice, and what is happening today in America is we are losing freedom, we are losing liberty, when we cannot even have the basic right to choose our own doctor.

RUSSIA'S ROAD TO CORRUPTION

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. ROYCE) is recognized for the remainder of the time.

Mr. ROYCE. Mr. Speaker, I rise to enter into the RECORD and share with my colleagues a report that was recently released by the gentleman from California (Chairman COX). It is entitled ''Russia's Road to Corruption.''

This is the Speaker's advisory group on Russia. In addition, I would like to share with Members that the New York Times reported this month that, without reporting to Members of the House or the Senate, Vice President GORE concluded a secret agreement in 1995 with then-Russian Prime Minister Viktor Chernomyrdin not to enforce U.S. laws requiring sanctions on any country that supplies advanced conventional weapons to Iran. Specifically, Vice President GORE, purportedly on behalf of the United States, secretly authorized Russia to continued the sale of advanced weaponry to Iran.

Now, this occurred while there was a U.S. law on the books, and let me quote from a comment made by the gentleman from California (Chairman COX) at the time. He said, ''The 1992 act required the President to sanction any country that transfers goods or technology that contribute knowingly and materially to the efforts by Iran or Iraq to acquire destabilizing numbers and types of advanced conventional weapons.''

At the very moment Vice President GORE was making this secret deal with Chernomyrdin, bipartisan majorities in Congress were deeply critical of the Clinton Administration's failure to sanction Russian arms sales to Iran.

It is now clear why the administration took no action. Vice President GORE actually signed off on the Russian sales to Iran. The secret Gore-Chernomyrdin agreement reportedly allowed Russia to sell weapons to Iran for 4 more years, including an advanced submarine. This is the ultra-quiet Kilo Class Russian submarine.

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Also, to sell torpedoes and antiship mines, and hundreds of tanks and armed personnel carriers. This submarine, as but one example, is exactly the type identified by Congress when it passed the law as posing a risk to U.S. forces operating in the Middle East.

The secret deal cut by Vice President GORE directly contradicts the 1992 law he coauthored. As then Senator GORE said on April 8 of 1992, ''We do feel that the sanctions package has got to lay out the choice for dealers in these technologies in very stark terms. It is abundantly clear that we need to raise the stakes high and we need to act without compunction if we catch violators.'' That is what was said then.

The report of the Speaker's advisory group noted a series of interlocking flaws in the Clinton-Gore policy towards Russia. Unjustified confidence in unreliable officials like Chernomyrdin was the first that they pointed out; refusal to acknowledge mistakes and revise policies accordingly, and excessive secrecy designed to screen controversial policies, to screen them from both the Congress and from the U.S. public. This secret agreement exemplifies every one of these flaws, stated the gentleman from California (Mr. COX). Tragically, as the Times report notes, the decision to flout U.S. law gained us nothing from the Russians.

The September 2000 advisory group reported concluded, in spite of evidence that both Russian government agencies and private entities were directly involved in proliferation to such States as Iran and Iraq, the Clinton administration continued to rely on personal assurances from its small cadre of contacts in the Russian government. Administration officials, including Vice President GORE and Deputy Secretary of State Talbot, accepted these assurances, despite clear evidence of continued proliferation rather than believe or admit that proliferation could continue despite the stated opposition of their partners.

To continue, I wanted to share with my colleagues a second issue, a second secret Gore-Chernomyrdin deal, that was described not by The New York Times this time, but this one by the Washington Times on October 17 of this year. In a classified ''Dear AL'' letter to the Vice President in late 1995, Chernomyrdin described Russian aid to Iran's nuclear program. The letter states that it is quote, ''ot to be conveyed to third parties, including the U.S. Congress.'' Not to be conveyed to the U.S. Congress. It appears to memorialize a previous personal agreement between the two men that the U.S. would acquiesce in the nuclear technology transfer to Iran.

As with the first Gore-Chernomyrdin deal, this agreement too was kept from Congress. This letter from Chernomyrdin to GORE indicates that Vice President GORE acquiesced to the shipment of not only conventional weapons to Iran in violation of the Gore-McCain Act, but also nuclear technology to Iran. According to Vice President GORE, the purpose of this secret deal was to constrain Russian nuclear aid to Iran in the construction of two nuclear reactors. If that is so, Vice President GORE plainly did not succeed. In August of this year, the CIA reported that ''Russia continues to provide Iran with nuclear technology that