

Drug prices are two and three and four times higher here than in other industrialized countries. Why? Because the prescription drug industry can get away with it. We do not negotiate prices because this Republican-led Congress will not do that. We do not demand that drug manufacturers reduce their prices to reflect the taxpayer-funded portion, almost half, the taxpayer-funded portion of the research and development. Why? Because this Congress will not do that. We do nothing to help the 44 million Americans under 65 and the 11 million over 65 who lack insurance for prescription drugs, again because this Congress has failed to enact Medicare coverage for prescription drugs.

The U.S. is the wealthiest Nation in the world. Our tax dollars finance a significant portion, almost half, of the research and development underlying new prescription drugs. Why do we tolerate congressional inaction? The prescription drug industry has a huge stake in the status quo and spends lavishly to preserve it. They pour money into political campaigns, \$11 million in this year alone, \$9 million of it going to majority Republicans. They pour money into high-pressure lobbying, they pour money into front groups that pose as consumer organizations like Citizens for Better Medicare. They try to scare Americans into believing that if we do not let drug manufacturers charge obscenely high prices, then they will not do research and development anymore; yet drug companies could afford to spend \$13 billion promoting their products last year.

Drug companies' profits outpace those of any other industries by 5 percentage points at least. The drug industry consistently leads other industries in return on investment, return on assets, return on equity. Thanks to huge tax breaks, the drug industries' effective tax rate is 65 percent lower than the average in other U.S. industries. Why? Because this Congress will not do anything about it. It doesn't matter whether we could take steps to make prescription drugs more affordable in this country; the only thing that matters is this country has failed to take steps to do that.

Drug industry lobbying convinced the Republican leadership to weaken a bill that would have allowed Americans to buy larger quantities of prescription drugs from Canada and other countries where drugs are priced lower. Whether we build on the progress of at least some legislation depends on which party controls the White House and which party controls Congress. Republicans and Democrats should be united, Mr. Speaker, in their determination to address the prescription drug issue. Unfortunately, that is not the case. The Republican majority has consistently bucked every attempt to seriously address prescription drug coverage under Medicare and to seriously address prescription drug pricing. I urge my colleagues to check the record. It will bear me out.

Mr. Speaker, we cannot afford to waste another minute, much less another session of Congress pretending to address the prescription drug industry with watered-down legislation and unworkable Medicare prescription drug proposals. The public should demand policymakers to deliver a strategy that prevents the drug industry from robbing us blind. We should not leave here before the election until this Congress passes prescription drug coverage under Medicare and does something about the outrageously high prices that prescription drug companies charge American citizens.

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CONGRESS HAS NOT DONE AMERICA'S BUSINESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PALLONE. Mr. Speaker, I was not planning on talking about this this evening, but I heard what my colleague from Florida (Mr. FOLEY) said about where we are tonight and the possibility of adjournment; and I have to respond to it, because I think it was very unfair to the minority side and to the Democratic side here.

The gentleman from Florida suggested that somehow the Democrats wanted to go home and that the Republicans were the ones that were keeping us here. I find it rather ironic. He talked about the fact that the other body, the other body passed a 2-week continuing resolution so that we could go home for the election and not come back for 2 weeks, and we know who is in the majority, both in the other body as well as in the House of Representatives, and that is the Republicans.

The motion in the other body to adjourn for 2 weeks came from the Republican leadership, not from the Democrats. The same is true here. As Democrats, if the Republican leadership in this House wants to take up that resolution that came up from the other body, I assure my colleagues that most, if not all, Democrats will vote no. We have made it quite clear as Democrats in the House of Representatives that we have no intention of going home, and that we are not in favor of a continuing resolution that would take us out of here for 2 weeks, and any suggestion to the contrary is not based on the facts, because we are not in the majority. How would we possibly be in a position in either House of the Congress to make a decision to adjourn for any period of time when we are not in the majority? It simply makes no sense.

I have to take offense to the fact that somehow he was suggesting that the Democratic leadership wanted to go home. It was the Republican leadership in the other body that brought up the resolution, and if anything is done with that resolution, it will have to be the

Republican leadership that brings it up.

There is absolutely no question that the Democrats want to stay here and work, and we have made the point over and over again; and I certainly have myself, along with some of the Members that are joining me here tonight, particularly on the health care issues, that we do not want to go home until we pass HMO reform and the Patients' Bill of Rights, until we pass a Medicare prescription drug benefit plan for our seniors. We have been very critical of the fact that the Republican leadership refuses to bring these major issues and major policy concerns up to be addressed here in the House of Representatives. At the same time, it is abundantly clear that the Republican leadership does not want to even get its basic work done by passing the budget, the appropriations bills. A good percentage, I think 5 or 6, of the appropriation bills are still pending, and every effort on our part to try to resolve those and say that we should be meeting to resolve them continues to be met, but with the other side saying, well, we need more time, or we cannot accept your proposals, or we do not want to meet on common ground.

Mr. Speaker, I wanted to highlight an editorial that was in today's New York Times that talked about how ineffectual this Republican Congress has been. I think, with the concurrence of my colleagues here, maybe I will just, I will put this up for my colleagues and others to see. This was in today's New York Times, and it is entitled, as my colleagues can see, "An Ineffectual Congress." If my colleagues do not believe me and my characterization of the Republican leadership's efforts of basically being ineffectual, well, then just take some sections from this editorial from the New York Times today. I just want to read a few of the parts of it that I think are particularly relevant.

It says, "The 106th Congress, with little to show for its 2 years of existence, has all but vanished from public discourse. In past Presidential campaigns, Congress has at least been an issue, but nobody, least of all the presidential candidates, is talking about this particular Congress and the reason is plain. On almost every matter of importance, gun control, Patients' Bill of Rights, energy deregulation, Social Security, Congress has done little or nothing, failing to produce a record worthy of either celebration or condemnation, nor has it been able to complete even the most basic business, the appropriations bills that keep the government functioning. Three have been vetoed," and it says, "Absent a burst of statesmanship in the next few days, it is possible that Congress will have to come back after Election Day to complete work on the Federal budget."

□ 1645

I think that is almost certain at this point. The other body has actually left.

But the editorial continues:

"But if Congress has done a lousy job for the public at large, it is doing a fabulous job of feathering its own nest and rewarding commercial interests and favored constituencies with last-minute legislative surprises that neither the public nor most Members of Congress have digested."

Mr. Speaker, I have said over and over again that what the Democrats have been saying on the floor of this House for 2 years is that we want to address these issues that are important to the average person: HMO reform, Medicare prescription drugs, education issues. You name it, we are looking at the concerns that the average person has.

What do we see with the Republican leadership? All they want to do is address concerns of special interests. The reason that they could not agree on a Labor-HHS appropriations bill and had to finally blow up the negotiations the other day was because the Democrats had put in the bill provisions for people, what we call ergonomics, people who have repetitive motions in their work, using their fingers, and what they do on the job and suffer from it, and we wanted to address that worker safety issue.

The Chamber of Commerce came in and said, we do not want that in there, so they blew up the Labor appropriations bill.

The reason we do not have a Patients' Bill of Rights is because the Republicans basically are in the pocket of the HMOs, and they want to do the bidding of the HMOs. They do not want HMO reform.

The reason we do not have a Medicare prescription drug benefit is because the drug companies oppose it and the Republican leadership is in the pocket of the drug companies and has to do their bidding, so they cannot bring up the Medicare prescription drug benefit.

This is laid out abundantly clear. Just another section, if I could, from this New York Times editorial.

It says, and this is the President, it says, "But most of his energy has been spent beating back last-minute riders he does not like. At last count, there were well over 200 special-interest items 'in play.' Originally they were attached to the Commerce-Justice-State spending bill. When the President threatened a veto, they jumped like fleas to the Labor-Health and Human Services bill."

That is what we are having here, special interest riders. The President says, no, we are not going to do that for these special interests, we are here for the people. The Republicans, they just move them from one bill to the next.

"Most of these items," according to the New York Times, "are garden-variety pork projects. But some involve real substance and bad policy. One egregious example is a bill that passed the Senate Agriculture Committee without hearings. . . . It would broadly

prohibit states from using their authority to write food safety regulations stronger than those required by the federal government."

Again, people are concerned about food safety and what they eat. No, Republicans cannot do something about that because of their special interest friends.

I do not have to go on and on. I just want to read the last paragraph on this ineffectual Congress in today's New York Times. It says, "The Republicans believe that somehow they will profit from these confrontations. But Mr. Clinton has won these stand-offs in the past, and there is no reason why he cannot do so now."

So when my colleague, the gentleman from Florida on the other side of the aisle, criticizes President Clinton, President Clinton is trying to do his job, protect the public from food safety problems, health care problems, whatever. What do the Republicans do? They just stand for the special interests.

It is very sad and it is very unfortunate, their efforts this evening on the other side of the aisle to somehow characterize us as wanting to go home. We are not the ones in charge, we are not the ones in the other body who passed the resolution to go home, and we are not going home.

I yield to my colleague, the gentleman from Florida (Mrs. THURMAN).

Mrs. THURMAN. I appreciate the gentleman yielding to me, Mr. Speaker.

Mr. Speaker, I hate this wrangling. I get so uncomfortable with what is happening out here with Democrats and Republicans, Republicans and Democrats. But there is also the idea that we have to sometimes just sort of set the record straight.

All of us would be preferring to work in a very positive way for the American people, but I have to say something to my colleague, the gentleman from Florida, who spoke earlier when he was kind of giving us a hard time about who left during this weekend.

What I found interesting about it was that he mentioned people who quite frankly are not even on the Committee on Appropriations, people who would have had no ability to really do the deal because it had to have been worked through the appropriators, and that is how this process supposedly works.

I checked the RECORD, and the gentleman from Wisconsin (Mr. OBEY), who is the ranking member of the Committee on Appropriations for the Democrats, and also who is the ranking member on the Health and Human Services bill, was here this weekend and was willing to work.

But I even went a step further, because they talked about, oh, "They just want to go home and campaign." When I looked at this last vote, just this last vote that we took, it was Republicans missing were 50, Democrats were 45. So in fairness in looking at

what is going on here, there are Members who have left, who have gone back to their districts. It is not just one side, it is a combination. They believe that there is something they need to be doing otherwise, and that is their prerogative, because they have to meet with their own voters.

Just to set the story straight, there really is commonality here as far as who is leaving, who is not. It is my understanding that Mr. LOTT was at home last weekend as well, so he also would have been one who would have made the deal. We need to get over that, because I have some issues that the folks at home are really asking me to do.

Quite frankly, I have been kind of watching some of the ads when I have been home in Florida, some of the ads. It seems to me, interestingly enough, whether one is a Democrat or Republican, everybody says, oh, I want a prescription drug benefit.

But when we get down to the meat and the actual way of passing a bill that will be beneficial, we are this far apart. We are so far apart on that part of it, and the fact that we believe that there ought to be a Medicare prescription drug benefit, not one that is left up to the HMOs and to private insurance companies.

Quite frankly, in the committee when we had a discussion, the private insurance companies told us, "We do not have an instrument to sell that just covers prescription drugs, and we will not have that available to us."

But on top of that, we had a debate on this floor 3 nights ago about the whole idea of what is happening across this country. Nine hundred thousand seniors are being pulled out of their HMO coverage, losing their prescription drug benefit. I do not mind if the HMO is there, because we do this in a voluntary way and we make sure that they help their seniors with a prescription drug. But the fact of the matter is that if they are not there and they cannot do it, then we need to have the safety net for these other people.

It really hurts me. I have to read this story to the gentleman. This actually was done in Hernando County in Florida, where the last two HMOs pulled out. We are fortunate enough because we have been able to actually get two more in there, so we think there is comparability, and I am not sure that all the benefits are the same because we have not seen all of it yet, because we actually started signing up people today.

But there is a woman, a young woman in Florida, quite frankly, who is Lucy Maimone, we will just do Lucy for a moment, and it says this is the story for her.

"Lucy pricks her finger and smears a dot of blood onto a small box that reads 'blood sugar levels'. '114, that's good,' she says. Ready for the first of two daily walks, she is dressed in her white sneakers and maroon windbreaker. The 73-year-old woman has been treading through her neighborhood twice a day after morning toast

and late afternoon supper on the advice of her doctor, who cut off Lucy's cholesterol pills because her Medicare-HMO insurance will not stretch to the end of the year.

"The cholesterol pills could go. The medicine for her diabetes couldn't. Lucy says, before munching on three quarter-size peach glucose tablets to avoid going into shock during the walk, 'The walk may not be as effective as the cholesterol pills,' she says, 'but it helps.'

"On the small screen of the television set which carries seven channels grainily, political commercials repeatedly interrupting rowdy guests, the commercials were aimed straight at Lucy. 'See? I don't want an HMO,' she yells as the commercial accuses Republican candidate George W. Bush as relying too heavily on Medicare HMOs to cover seniors' prescription drugs. 'I have been stuck with HMOs for 4 and 5 years, and all of a sudden they are pulling out. What is to say they won't pull out?'"

And she is saying to us, could we not have done something this year for Medicare? But it goes on further, because this is about three stories of people in this area.

"Like the couple before this, the Nicos, Lucy falls between the cracks. Her \$860 monthly income is too much to qualify for State Medicaid assistance for her prescription drugs, but it is too little to afford much more than that. So she skimps on everything. There is no car for grocery shopping. There is a two-wheeled cart that she makes do. Forget cable or any outside recreation like dinner or movies.

"Aside from these walks, the highlights of these days consist of cuddling with her salmon-colored cat, Bingo. 'She is my life right now,' Lucy says of Bingo. That is what really keeps me going, when she comes and sits with me.' Her warm brown eyes well with tears behind her brown-rimmed glasses. 'Sometimes I get so depressed I cry. I came here to have a good life, and what do I have but worries?'"

That is the unfinished business that we have left in this House. If I have to stay here until election day, if I thought that we could get a Medicare prescription drug benefit, one that was voluntary, that brought in all of the other people who distribute or deliver a drug benefit, I would be willing to do that. I do not know how we go home and tell Lucy.

But what bothers me the most is the commercials that are running that have made people believe that they have passed some kind of a piece of legislation up here that gives them that safety net. That has not happened in this House. That has not happened in the Senate. If anything, when the Senate walked out of here today, which they did, there is no Medicare buy-back bill, either, nothing that takes care of nursing homes, nothing taking care of home health care, nothing that takes care of accountability for HMOs to say

they have to stay 2 or 3 years, nothing that gives money back to the hospitals.

We could have figured this all out if we would have just taken the time to sit together, Democrats and Republicans, working in the people's House as they elected us to do.

What do we say to Lucy? More importantly, what do they say to Lucy?

Mr. PALLONE. Mr. Speaker, I appreciate what the gentlewoman said. I think what she did in giving us an example of an individual who is impacted by the lack of action here is so important, because that is what I really believe it is all about, to be down here for.

In other words, we bring up these issues like a Medicare prescription drug benefit, HMO reform, because we believe that these are the things that have an impact and these are the things that really make a difference for people.

I think one of the reasons that the gentlewoman and I in particular stress health care as an issue, because there are others that we could talk about, is because we know that, particularly with reference to health care, it has a direct impact on people. If they cannot lead a healthy life, then what kind of life do they have?

I just want to say briefly, before I yield to our other colleague, that the saddest thing I think in what the Republicans are trying to say in these commercials is that they try to give the impression, as the gentlewoman said, that somehow there is going to be a universal prescription drug benefit available under their proposals.

It is simply not true. The only thing they have proposed and this they tried to pass, and Governor Bush is talking about, is basically giving a subsidy, a small amount of money, I call it a voucher, to people of lower income; not the people eligible for Medicaid, which is really low, I think you have to be under \$10,000, but at a little higher level.

They are saying to them that they can go out and use that to try to get an HMO to cover them, or try to buy an insurance policy to cover prescription drugs. That is not even an option because it does not exist.

Most of the seniors, certainly every middle-class senior, the majority, would not benefit in any way, even if that passed. They have not passed it. They brought it up, and it has not gone through both Houses and been sent to the President. Not only have they not really passed it, but even if they did pass it it would be meaningless, and yet they put on commercials acting as if they have done something.

Mrs. THURMAN. If the gentleman will continue to yield, Mr. Speaker, a couple of nights ago we were on this floor again. I went through what one of my constituents had sent me as to what was even happening with the premiums, changes from one plan to another.

They said, we no longer have this plan, here is the new plan. In there,

they talk about the fact that they are going to go from \$19 from last year, which was what their cost was on the premium, to \$179 a month.

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And then you go through it and in every category. The copayments, for whatever reason, go up from \$20 to \$35, and/or the benefit has been cut. In the prescription drug area, it has been cut.

So even whether we gave them whatever, the fact of the matter is even if they had the HMO there, actually they are not going to be able to afford it. It has outpriced them, and I think one of the things that bothers me about this too, is, these are Medicare dollars as well. Remember it is not only do they get the \$179 from the patient or the person who would get the benefit, they are also getting money, our Medicare, our tax dollars that we get through the payroll given to these as well. They get whatever that number is, depending on what part of the country they are in, plus whatever their treatment is.

This could be \$700 per patient, which is more costly than what it costs us for a Medicare fee for service, and we could be providing a prescription drug for about \$26 a month.

Mr. PALLONE. I agree. And the thing that is amazing about it is that the traditional Medicare program has one of the lowest overheads of any administrator programs. I think it is like less than 3 percent. In terms of overhead for Medicare right now, if you add a prescription drug benefit and you want to do it in a way that has a very low overhead or administrative costs, what better way to do it than to put it under Medicare? HMOs.

The overhead is so much greater, and this option of somehow finding a prescription-only policy, I mean that just does not exist.

Mr. Speaker, I yield to the gentleman from New Mexico.

Mr. UDALL of New Mexico. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for yielding to me and thank the gentleman for all of his hard work on this issue and organizing this special order. And I think one of the things that the gentlewoman from Florida (Mrs. THURMAN) emphasized that is really important here when we talk about finishing our business, when we talk about coming to the end of a session and what have we done, the gentlewoman dramatized that we talk about programs, I mean, we are legislators. We are here. We are in committees. We deal with programs, and we talk about programs. But what the gentlewoman has really highlighted is the fact that these programs impact real people's lives.

So when we say we are ending a session and what have we done and what do we have left to do, we have heard this long list, and many of us throw it out; Medicare+Choice; prescription drugs; minimum wage; making sure that Social Security is solvent; that Medicare is on a good, sound basis; patients' bill of rights; but each one of

these programs and ideas is something that has an impact on millions of people in our society.

When we are saying we do not want to go home, what we are really talking about, let us just to pick an example, in terms of prescription drugs, there are so many people out there that are not covered that do not have prescription drugs. And I think each of us in doing townhall meetings and in participating with constituents in our districts and getting feedback back and forth, where we hear the stories of senior citizens, saying, one, I cannot afford them, so I have to make a choice between drugs and food.

Mr. Speaker, I actually had a woman stand up in a townhall meeting. I was opening up and asking for suggestions, and she said, well, I have already heard this plenty of times. She says I don't have the money. I am going to go ahead and eat; I am not going to listen to my doctor. I am not going to get the prescription drugs.

What we really have is a situation when we come to the end of a session, and I am striving to respond now in a diplomatic fashion, because I agree with the gentlewoman from Florida (Mrs. THURMAN) that we should not be wrangling over this, we should be putting our minds to work. We should be settling down to work.

Mr. Speaker, what we are talking about here is making sure that the work we started at the beginning of the year, the big, long list I just went through, prescription drugs, Medicare, fixing those problems with the HMOs and them cutting people off, minimum wage, Social Security solvency, all of those that we finish, but there is one other point here is that if we go home now, we are 1 month into the fiscal year.

All of these big departments that impact people's lives also, the Department of Education, the Department of State, the Department of Justice, they cannot be planning for the year.

We hear a lot about rhetoric on the other side of running government as a business. And we hear a lot on our side. I mean, many of us stand up and say we think it is important to run government as a business. If we are running government as a business and trying to give government agencies the ability to function in an effective way, one of the things we do is we allow them to know what their budget is going to be a year ahead of time.

We are now in a situation with these budget issues where we are already into them. We have expended a month, and we are on continuing resolutions. Who knows when it is going to end. But I know there is a deep desire just to wrap this up on the one issue of going home. There is a deep desire on our side of the aisle to stay here, to very much want to get the work of the people done.

I would just like to say a few words on the prescription drug issue a little bit more in detail, because I saw this

morning on the television about this issue. They were doing some polling, and they said, this time and in this Presidential election is one of the first times that senior citizens are more undecided, senior citizens. And they were asking the person, why is it that. Apparently what they said is, they are very confused about the prescription drug issue. They hear about these two different plans, and they hear about the proposals that are out there and they do not quite understand them.

Mr. Speaker, I thought that I would spend a little bit of time talking about that, because I think it is an enormously important issue in our Presidential election going on right now, and when somebody makes a choice in the Presidential campaign, there are going to be two different plans that are out there.

First of all, there is a plan that has been proposed, the Vice President is very supportive of it, many on the Democratic side are supportive of it, as to making a prescription drug benefit as a part of Medicare through a modest premium, through voluntary participation, making sure that everyone is covered that wants to be covered, because you are allowing them to come into a voluntary situation, and that would be a program that is going to cost some money, but it is a program that everybody knows would work and would be a reality if we just put our minds together and do it.

We passed the other plan, which is very close to Governor Bush's plan, the plan that passed the House, and that is a plan that was tried out in the State of Nevada. And by the way, I voted against the plan that came through the House, the much ballyhooed plan that they talk about saying that prescription drug benefits are going to be provided.

What that plan does is, basically you throw money at HMOs and insurance companies and say set up a plan and make it work in the private sector, because we do not want Government involved. Well, what happened is they did it in the State of Nevada. They passed a law. They said let us set it up in the private sector. They put everything into place. The remarkable thing is that the insurance industry was brutally frank with the State of Nevada, they stepped forward and said there is no market. We cannot do this. This is not something that is going to happen in the way that you have designed it.

In fact, in Nevada, no insurance companies have stepped in. Nobody has done it. There is not a reality, and I think that the thing we need to explain to people is there are big differences here. There are big, big differences between these two plans. I know that the gentlewoman from Florida (Mrs. THURMAN) has something to say on this issue.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I just want to ask a question to my col-

leagues, because I think I remember something also in one of the plans where they would, instead of doing a Federal plan through the Medicare system, there was actually talk about sending some of these dollars in a block grant back to the States as well, which might have been what the gentleman from New Jersey (Mr. PALLONE) was referring to in the amount of money that would go back, then we would sit around waiting for another year for them to determine how to even spend this money out there to those folks that need it.

Mr. PALLONE. First of all, I would say that the gentleman from New Mexico (Mr. UDALL) was right, the Nevada plan is almost exactly the same as what the Republican leadership brought forth in the House. It is almost exactly the same, but Governor Bush's proposal basically gives money to the States in a block grant to try to cover people in some way. That is his proposal.

Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. The other thing that I would say is that when we send it through, and maybe the gentleman can give us an idea of what happened in Nevada where when you rely on the private insurance, and there is nothing wrong with private insurance, I am not suggesting that some of the money that we have even talked about, because it is a voluntary system, would be used to help and prop up even some of those because of the higher costs of medicines.

But what I have looked at is, and certainly it has been the experience as we looked at HMOs who are pulling out who use this as one of the reasons that they are pulling out, is as we have in Medicare, we have at least some government, I hate to say this, but some government looks at what the real costs of it is, without any administrative costs, without any profit being built in, so we have a better opportunity to really use the dollars that we have available to us for really providing the benefit instead of having to look at what somebody else's bottom line is. No different than what we have done under Medicare.

Mr. PALLONE. If I could just reclaim a little time, the problem with the HMOs, and we have said it before, is three things. First of all, they had the administrative costs because they are for profit in most cases and the situations of CEOs getting huge sums and using it for all kinds of things.

Then you have the advertising costs in order to lure people into the program. They spend a tremendous amount of money on advertising. I have seen that in New Jersey, and I have used examples before.

Then they use the money also to lobby, and that is where we get back to the special interests on the Republican side, they use it to lobby here and to finance campaigns against HMO reform and against the prescription drug benefit.

All of those three add to the costs and tremendously to the costs in many cases.

Mr. Speaker, I yield to the gentleman from New Mexico.

Mr. UDALL of New Mexico. Mr. Speaker, one of the points that is related here, and these are the same HMOs and the same insurance companies that have pulled out in New Mexico.

Mrs. THURMAN. And also Florida.

Mr. UDALL of New Mexico. In Florida, New Jersey, and here we are, we have a situation where HMOs stepped into Medicare and said we are going to make it better. We are going to make it better than the Government does it, and they get into it and then when they do not make the profit they would like to make, they cut and run.

Really what we had happen when we got into that situation where we are talking about Medicare+Choice, we had 17,000 seniors cut off in New Mexico, and so you can imagine the phone calls.

I had a town hall meeting at a local hospital, huge auditorium, we filled the auditorium. It was standing-room only. Here are all of these senior citizens. What am I going to do? Where am I going to go?

They had some heart-wrenching decisions before them. Unfortunately, it was not like in the district of the gentlewoman from Florida when she talked about maybe some came in again, they said they are out. They are gone. They are not coming back.

Mr. Speaker, I want to read a part of the General Accounting Office's report that dealt with this, because I think this is the report that was released in September, Medicare+Choice, plan withdrawals indicate difficulty of providing choice while achieving savings. And that report said, and I think it demonstrates why we do not just throw money at the problem. Why we need accountability.

Here is what the report said, although industry representatives have called for Medicare+Choice payment rate increases, it is unclear whether increases would affect plans participation decisions. In 2000, 7 percent of the counties within Medicare+Choice plan in 1999 received a payment rate increase of 10 percent or more.

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Nonetheless, nearly 40 percent of these counties experienced a plan withdrawal. Ten percent increase or more, 40 percent experienced a plan withdrawal. This suggests that the magnitude of rate increases needed to make participating in Medicare a sufficiently attractive business option for some plans may not be reasonable in light of countervailing pressures to make the Medicare program financially sustainable for the long-term.

So, really, what we are doing here when we talk about prescription drugs and HMOs, and we talk about this Medicare situation, they have a pretty

bad record when it comes to Medicare+Choice.

I think we ought to be very, very cautious with any plan where we say the HMOs are going to run the plan. That is the thing that really disturbs me about this plan that passed the House, that I voted against, that Governor Bush is a great supporter of and really believes that the private sector and the HMOs are going to solve it. They have not solved these other problems. I think they have got some very serious problems here.

Mr. PALLONE. Mr. Speaker, let me just make two points. I think the point of the gentleman from New Mexico (Mr. UDALL) there with that GAO report is so important in light of two things that have happened here. First of all, we know that last week the Republicans passed this tax bill that gave a lot of money back to the HMOs. The lion's share of the money that was going back for Medicare and Medicaid reimbursement increases in funding went, instead of going to the hospitals or the nursing homes, the basic providers, it went to the HMOs.

I am particularly, and all of us were, very critical to the fact that there were no strings attached. The Republicans wanted to give all this money to the HMOs, but they did not require, as we saw it, that they stay in the program for 3 years or they provide the same level of benefits that they had initially promised.

Now given what the gentleman from New Mexico said in that GAO report, to not attach some strings or accountability, as the gentleman termed it, and give them more money makes absolutely no sense. The GAO report says that will not accomplish anything based upon past experience.

The other thing is that, in our proposal, our Medicare prescription drug proposal, as opposed to the Republican and Governor Bush's proposal, in our prescription drug proposal, which is under Medicare, because it is under Medicare, it is universal, and one has a guaranteed basic benefit package; in other words, that one can go to any pharmacy, that one is going to get any drug that is medically necessary as defined by the pharmacist or the physician, and one knows what one's copayment is going to be. All that is set as part of a basic benefit package.

But under Governor Bush's proposal and the Republicans' proposal, all they are doing is giving money to the HMOs and saying to you, you can go out and try to get an HMO that will cover you, but you do not know whether or not that is going to be a good plan, what the copayment is going to be, what the premium is going to be, whether they will cover the drugs that you need, are medically necessary. All that is up in the air depending on what you can negotiate with them.

Again, based on past experience, you are not going to be in a very good position, you are not offering them that much money, and they are going to ne-

gotiate you down so you do not even know what kind of basic medicine package that you are going to get. It makes no sense.

The other thing is that we do not even say that we are against HMOs. Because if we pass our Democratic Medicare prescription drug proposal, one can stay in the basic traditional fee-for-service plan and get the basic benefit, but one can still offer the HMO. One can still go into an HMO.

But now, unlike the current law or unlike what the Republicans are proposing, if one goes into the HMO, they have to offer those same pharmaceutical benefits. They have to give one the drug that is medically necessary. They have to guarantee that they are doing the same thing as everyone else. That is the difference.

So we do not even stop one from going to the HMO. But we make sure that the HMO is giving one what is fair and what one needs. I mean, it is such a tremendous difference.

Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I appreciate that. I think some of the stuff that we have heard tonight of who has pulled out and what is happening out there, we did another survey in our State, similar to what we had done with the cost of prescription drugs, as differences between who was a customer and then from Mexico and Canada. Then we went a step further because we wanted to know just what was happening in the State.

We found that, in 1998, there was only about 29 percent of our Floridians that actually had no prescription drug coverage. But that has gone up to, now in 1999, 41 percent.

I want to just take a moment, though. I, quite frankly, think we should applaud the American seniors in this country and their families, because I think this issue is intergenerational. They are the ones who have come to us. They have shown up. They have shared their stories. They have shared the kinds of things that they are having to go through on an everyday basis.

I really do believe, had it not been for the fact that they had gotten a Medicare prescription drug under Medicare Choice, then it was taken away from them, they have now truly understood the issue and what it means to them and their health and to their own security.

So when I go out to talk to my seniors, I tell them thank you for bringing this issue to us. Because I have never seen an issue of this magnitude take off as quickly and have so much support, whether we agree or disagree with our colleagues about it. Never have we ever seen this kind of an issue be raised so quickly and try to come up with some kind of an answer to it.

But I also want to be a fiscally responsible person here, too. I mean, I came here in 1993. I saw the burgeoning budget deficits. We paid those off. We

have done those kinds of things. We also know, because of the baby boomers and what is going to happen in the future, one of the things that we need to remember about this and about this issue, it is also a cost-effective tool for us.

Because the more dollars that we have that we spend in the preventive area of making sure that people have their medications, that they have their cholesterol medicine, that they have their blood pressure medicine, that they have their help with diabetes, all of those kinds of things that helps us identify and keep under control, the less cost it is to us in the Medicare dollar in general, less times having to go to the hospital, not as dramatic kinds of procedures that would have to be done.

Because we have actually, to the benefit, through research and other things, have been able to find ways to help them control and to give them a quality of life.

So I think, if for no other reason than because of what we are going to be facing in the outcome years, that these are other reasons that we need to be looking at this.

This is a fiscally responsible program, not to mention what it does for our seniors and their families. Because for every pill that they cannot buy and a parent or the child of a parent who is having to go through this, who has a child that needs to go to college or save for whatever reason and cannot because they need to be the ones helping them because they cannot afford it, and they have no where else to turn, I mean, I understand the intergenerational of this.

Mr. UDALL of New Mexico. Mr. Speaker, if the gentleman from New Jersey will yield, one of the issues in talking about prescription drugs is different ways of tackling it. I am a co-sponsor with the gentleman from Maine (Mr. ALLEN).

Mrs. THURMAN. I am, too.

Mr. UDALL of New Mexico. I know the gentleman from New Jersey (Mr. PALLONE) is also. That seems to me a piece of legislation. I do not think on this side of the aisle we are always talking just government. We are talking about ways we can get prescription drugs the most effectively and with the least amount of bureaucracy to senior citizens.

The Allen bill does something very, very simple. We have a preferred customer cost, preferred customer price that the big guys, the HMOs, the Veterans Administration, the large purchasers, they get that preferred customer price.

We all know from checking this out and having the various studies that have been done by the Government Operations Committee, one was done in my district, where it showed a differential on eight of the most commonly used drugs of about 115 percent. So there is the preferred customer price, which is down here, and the uninsured

senior is 115 percent higher, higher price. So we have price discrimination going on. There are real problems with that.

Well, what the Allen bill does is something that is very, very simple and a very simple concept. It just says we are going to say there is one price; that this preferred customer price shall also be the price for uninsured seniors. All the pharmacies in my congressional district were very interested in that idea because they have been seeing the seniors.

As I went around my district and I heard from the owners of the pharmacies, they say they come in, they cannot afford it, we try to find a way for them. They said we would pass on the cost savings. If you require them to sell it at the same price, we would pass that on to the senior citizens. So I think that is a very simple solution.

When we talk about staying here and doing our work, if we did not want to look at Medicare, and we wanted to try this as a first step before we put a Medicare prescription drug benefit into place, we can try that as a first step, because we know what a big impact it will have.

Mrs. THURMAN. Mr. Speaker, we have also and actually passed on this floor the importation, another way we were trying to figure out ways to drive costs down. The biggest problem is that, if I remember correctly, one of the problems was that there was no safety protections for seniors and making sure that the drugs that they were going to import or the pharmacist that would import it would have those safety measures.

To the point of the gentleman from New Mexico (Mr. UDALL), that is the point, we are trying to find everyday ways. Do my colleagues know what, instead of having to stand up here and find those ways, I think we could, I mean I think we could actually craft something. I think we could be doing some things. But, unfortunately, I have to go home and tell Lucy and Bingo that we are not going to be able to help them this year. But we are going to be working again for them next year.

Mr. PALLONE. Mr. Speaker, I just wanted to comment on some of the things the gentleman from Florida (Mrs. THURMAN) said, because I think they are so important.

First of all, on the whole prevention issue, obviously if one has a Medicare prescription drug benefit, one is going very far towards looking at the prevention issue. Because, I mean, the biggest prevention issue right now is that Medicare does not include prescription drugs.

When Medicare was started in the 1960s, prevention, particularly with regard to the prescription drugs, was not a major issue. There were not that many. People did not rely upon them so much.

But the modern miracle, if you will, for the last 30 years has been the fact that we have been able to produce, and

the pharmaceutical industry has produced, all these drugs that actually make it so people do not have to go to the hospital, do not have to go to the nursing home.

It was ironic to me, though, because when I saw the prioritization of this Medicare reimbursement rate, this money that the Republicans put in the tax bill last week that was going to try to help out with various health care providers, that the least amount of money went to those providers. In other words, if we think about it, if we think about it, the HMOs really, they are insurance companies. So when one gives them money, they have got all the overhead and the lobbying and the advertising and everything we have already discussed as opposed to giving it to the basic providers.

A lot of those basic providers are prevention oriented, for example, home health care agencies. Prescription drugs are a method of prevention. But home health care is a way of avoiding nursing home care or a way of avoiding hospital stays. So why not give more money to home health care agencies, because they will prevent people from having to be institutionalized.

Mrs. THURMAN. Mr. Speaker, if the gentleman will yield, I would like to go back to something that the gentleman from New Mexico (Mr. UDALL) said about running things as a business. One of the things that we have been critical about in this bill as well is to look at the dollar amounts but also look at the time period in which we would extend these until we could get some accurate information back in.

We know that the Balanced Budget Amendment Act in 1997 that we made some decisions that may have gone deeper than what has been anticipated. So in this bill, as in the 1999 bill, every year, we keep giving them a year extension, a year extension, a year extension. Now they have already been through one-eleventh of their fiscal year, or what potentially would be their fiscal year, and they cannot plan.

When we are in a crisis of having health care services available to folks, how do we go to these nursing homes and say, okay, you can go out there for 11 more months, and you can staff like we should have to make sure that your patients are being taken care of? Or how do we say to these nursing practitioners who are going to these homes, we are going to beef up our agency now because we have got 2 years to work through some of these problems and show what is going on?

Again, they have 11 months. This had happened to them every year. I mean, it is just, as a plain business, you cannot plan around crisis.

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Mr. PALLONE. Just to give you an example, I had a hospital in my district close, South AmBoy Memorial Hospital, last year. It closed the door, Medicare reimbursement rate.

I visited with some of the nursing homes a couple weeks ago and was told

a number of them are facing bankruptcy. They cannot get the skilled nurses to come in. I mean, there is no way. They are suffering, and we are giving the money to the HMOs.

I just wanted to comment because I thought my colleague brought up the issue of price discrimination and that is important. If you listen to Governor Bush, and this goes back to I guess the first debate or each earlier around Labor Day, when he just came out and slammed Vice President GORE when he said that their Medicare prescription drug benefit was price controls. He did not even get into the Allen bill. He said that even our benefit plan was price control.

One of the things that really bothers me with the Republican leadership is that so often, and the prescription drug issue is a good one, they just get into this whole ideology that Government does not work and we do not want to do anything with the Government and that is why they cannot accept a prescription drug benefit under Medicare because Medicare is a Government program, or at least ostensibly a Government program, so they get into all these ways trying to get around that by throwing money in the private sector.

And the same thing with the Republicans on this issue of price discrimination. They do not call it price discrimination. They say it is price control. And they cannot accept the notion that we have in the Allen bill that somehow the Government should be negotiating to try to bring costs down. They do not have anybody to negotiate with them.

In our Medicare bill, we do not even have the Allen provision. We do not go that far. We just say that in each region of the country we are going to have a benefit provider that will go out and negotiate a good price, which will probably bring the cost down 10 or 15 percent. But even then Governor Bush says that is price control.

I just want the Republicans to forget about the ideology and talk about what works particularly. I do not care, I am not concerned with ideology, government versus no government, left versus right. I just think we have to look at what works. Medicare works. It does not make any sense to have Lucy and the others suffer because of some ideology.

Mrs. THURMAN. Mr. Speaker, if the gentleman would continue to yield, I just want to make one point before we walk off this floor. The reason that we are even able to have this debate today, the only reason we have this debate today, is because our House is in fiscal responsibility right now. Because I have heard on this floor over and over, Well, you could have done it. You could have done it before. You could have done it here then.

They talk about this education. They talk about that and everything. The fact of the matter is that, until this last year or so, we had been looking at

deficits; and now we have an opportunity to strengthen some areas within and for the people of this country because we believe that we can do the Medicare prescription drug benefit and we can do the school programs and we can pay down the debt. And we should be making no doubt about it. Because I am really tired of hearing that about you could have done this for the last 8 years.

Well, first of all, we have not been in the majority for the last 8 years but about 6. And secondly, there was no surplus of money. There was nothing in this Congress except deficits. It is time that the American people understand. All we are doing is standing up for the things that we believe are right that we have an opportunity to debate and talk about now which was not available to us before.

Mr. PALLONE. Mr. Speaker, if my colleagues listen to what the Democrats are saying about the surplus versus what the Republicans are saying about the surplus, the whole emphasis for the Democrats is paying down the debt and retirement security.

The idea is that the majority of the surplus would be used to shore up Social Security and Medicare because we know at some point down the road that they are going to have shortfalls in their trust fund, and we need to shore up those programs. And the two go hand-in-hand because, as you pay down the debt, you make it possible to have the money available to shore up those two programs.

The Republicans keep talking about this huge tax cut. They actually tried to pass it. Governor Bush keeps saying he wants to do it. It would take us back to deficits. Then the money would not be available for prescription drugs, for shoring up Social Security and Medicare and there would not be any retirement security. I mean, in many ways I think that is the most crucial aspect of this election November 7 is who is going to favor having the money available to shore up those two retirement security programs.

Mr. UDALL of New Mexico. Mr. Speaker, I wanted to go back to the point of the gentleman about the argument that is out there about Government not working.

Well, the HMOs have not worked when it comes to Medicare+Choice. And it is evident in my district. You cut off 17,000 people. Many of them are in rural areas. And the thing I did not like about the bill that came before the House of Representatives is it discriminated between rural areas and urban areas and you had a cut-off. You were going to increase the reimbursement to \$475 in rural areas and then have the cities at \$525.

Well, it is more expensive to provide health care in rural areas. I think if we were going to raise it, we should not have discriminated; and I think we needed rural provisions in that Medicare+Choice Medicare bill that we were considering along with these ac-

countability provisions that we talked about.

I mean, what is so bad about saying to an HMO, you are going to stay in a community for 3 years? It seems to me if they get in there and they start setting up their program and they start providing service, with the kind of money we are throwing at them and the billions of dollars, they ought to stay there for 3 years. And I think that we are all in agreement on that.

Unfortunately, we were not able to get a bill. This is another example of something that we need to finish before we go home. We need to put that in place because there are senior citizens out there in my district, in New Jersey, and in Florida and all across the country that today do not have Medicare+Choice and are hurting as a result of it.

Mr. PALLONE. Mr. Speaker, my understanding is we only have 15 percent of Medicare recipients, seniors, that are in HMOs. Yet, in that tax bill, over 40 percent of the money was going to HMOs. And they had a certain pot of money in this Republican tax bill and when you started taking out over 40 percent for the HMOs, you do not have much left to deal with rural hospitals and rural health care facilities and some of these other things. That is the problem, they just prioritize the HMOs too much with no strings attached.

Mrs. THURMAN. Mr. Speaker, on that point, I think this is the other problem that it is the providers that have to contract with the HMOs to even be able to have a network system available for the Medicare+Choice program to work. And so, it really meant you had to do two things. One was you had to make sure that there were providers available. That would be your hospitals and other assorted benefit groups that would be helping you with these patients. And when you keep them on a yearly string, or what I might call a lifeline, they cannot plan, they cannot make any decisions as to whether or not they can have a contract with an HMO because they may not be there the following day.

So it is not just about money. It is also about having the networks within those rural areas to provide those services. We do not hear much about that, but it is a very important part of this debate.

Mr. PALLONE. Mr. Speaker, I want to thank both of my colleagues for joining me tonight. The point is we are going to probably be here a few more days, and we just have to keep pressing. Whether we deal with the larger issues of Medicare, prescription drugs, HMO reform, or even if we are just able to do something to provide more funding for the basic providers, like the hospitals and nursing homes, as opposed to the HMOs, we are just going to continue to speak out and make that point.