

this plan, molding the cuts with their own best interests in mind.

The question is, Do they have the interests of senior citizens at heart? The answer, Mr. Speaker, sadly, is no.

I have over 15,000 petitions from the senior citizens of my district opposed to the drastic cuts in Medicare. Every day I have dozens more calling my office asking me if they can sign a petition. "How can I help, can I circulate more petitions?" they ask. They tell me of hundreds of seniors who have not yet had a chance to have their voices heard, but who are very afraid and confused by the Republican Medicare proposal.

What started out as a need to shore up Medicare, so as to keep our sacred contract with seniors, has turned into a raid to fund a \$245 billion tax cut for America's wealthiest citizens. The Republicans wave a report by the Medicare trustees saying the system is headed toward bankruptcy. But nine times in the past, we have faced the threat of the trust fund going bankrupt and have dealt with it as it should be dealt with now—without fanfare and without partisan propagandizing. The report says only \$90 billion is needed to insure the solvency of the trust fund, but the Republicans insist on cutting \$270 billion to pay for their tax cut.

To pay for this tax cut, Medicare recipients will pay more, but they will get less in return. By the year 2002, \$1,700 less will be spent on each beneficiary. However, deductibles will be doubled and premiums will skyrocket. Seniors will pay an average of \$3,300 more over 7 years and will be herded into managed care, forced to give up their own doctors. Simply said, seniors will be paying more for less.

I recently sent a letter to the presidents of the various hospitals in my district, asking them to analyze the impact of the Republican proposals for Medicare. The president of MacNeal Hospital in Berwyn, IL writes, "The reductions, as proposed, if implemented, could force MacNeal Hospital to close. Over the 7 year period from fiscal years 1996 through 2002, Medicare reimbursements would decrease by \$92 million. As an employer, it would result in the direct loss of 3,000 jobs. Needed access for the people of your district to high-quality low-cost healthcare would obviously be dramatically and negatively affected."

The president of West Suburban Hospital in Oak Park, IL wrote an emotionally moving letter. "None of the news I have heard sounds encouraging. In fact, the question is not how will we serve patients in spite of funding shortfalls, but how will we serve them at all."

According to figures from the American Hospital Association, this plan will result in a reduction in reimbursement to hospitals in metropolitan Chicago totaling \$2,830,000,000 in fiscal years 1996 to 2002. Clearly, the Republicans Medicare proposal will hurt not only the elderly, but hospitals too,

which will cause cost shifting to the private payer.

A respected Chicago newspaper columnist recently noted the quiet silence of senior citizens on this proposal. Given the partisan rhetoric and the cynicism, it is no surprise that many are not vocally taking sides. But with these petitions, thousands have quietly sent me a message that this is too much change, much too fast.

968 pages of a bill to amend title 18 of Social Security Act to preserve and reform the Medicare Program, were delivered to me this morning. But these 968 pages are not intended to preserve and reform the Medicare Program. Rather, they are intended to destroy Medicare's security blanket for our seniors, and radically replace it with an untried system.

Mr. Speaker, Medicare was signed into law 30 years ago as a sacred commitment with the elderly of America. I will not break that commitment. I do not want to see the elderly have to choose between paying their doctor's bills and their utility or grocery bills. Republicans are big on contracts these days. Let's keep our contract with seniors and preserve the Medicare system. I urge my colleagues to oppose H.R. 2425.

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The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

[Mr. DUNCAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

GOP PLAN WILL SAVE, STRENGTHEN, AND SIMPLIFY MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Idaho [Mrs. CHENOWETH] is recognized for 5 minutes.

Mrs. CHENOWETH. Mr. Speaker, tomorrow the House of Representatives will take a giant step toward putting Medicare back on sound fiscal footing and giving our seniors the same choices enjoyed by Federal employees, including Members of Congress, and citizens in the private sector when it passes the Medicare Preservation Act of 1995 [MPA]. The goal of the MPA is to preserve Medicare for current beneficiaries, protect it for future generations, and strengthen it through reforms that have been tested and proven in the private sector.

On April 3, 1995, the Medicare trustees, including three members of President Clinton's cabinet, issued the following warning: Medicare begins going bankrupt next year and unless prompt and decisive action is taken, Medicare will be completely out of money by 2002.

There is no reason to doubt the accuracy of the report or its conclusion. I

urge you to obtain an official summary from my office (356-2010) and judge for yourself.

The bottomline is that if Medicare is not reformed, either seniors will be forced to accept sharply curtailed medical services or working Americans will be forced to pay sharply increased payroll taxes, estimated by the Heritage Foundation to cost the average Idaho household an additional \$1,200 per year.

Under the MPA, total Medicare spending will increase 54 percent, from \$161 billion in 1995 to \$274 billion in 2002. On an annual per beneficiary basis, average spending will increase from \$4,800 today to more than \$6,700 in 2002. Obviously, not only is Medicare not being cut but at an average of about 6.5 percent per year, it will grow faster than the current 3.2 percent rate of private sector medical inflation and more than fast enough to accommodate all new entrants into the system. Only in the bizarre and convoluted world of Washington bookkeeping and partisan bickering can such an indisputable spending increase be called a cut.

The MPA will give seniors the right to choose from these:

First, if they want to, seniors can stay with the current Medicare system—exactly as it is today. And if they choose another option and decide later that they want to return to traditional Medicare, they can do that, too. No senior citizen will be forced to give up his or her current Medicare coverage, switch doctors, or be forced into a plan they don't want.

Second, seniors can opt for managed care and join a health maintenance organization [HMO], in which beneficiaries agree to receive their medical care from a defined pool of providers in exchange for lower out-of-pocket expenses and broader coverage, which could include prescription drugs, dental care, and eyewear. Many seniors, particularly those whose private physicians are already associated with the HMO they choose, will find this an attractive alternative.

Third, seniors can opt for a medical savings account [MSA] plan, which uses the beneficiary's Medicare stipend to fund both catastrophic health insurance plus an MSA, out of which seniors would pay for routine medical needs. Seniors choosing this plan would have complete control over the money they spend on medical care and any money left over in the MSA at the end of the year would belong to the senior, not the insurance company or the Government.

Fourth, seniors can join provider service networks, similar to HMO's, that are organized by doctors and hospitals themselves.

The Medicare Preservation Act also aggressively attacks the waste, fraud, and abuse that has contributed so much to Medicare's rising costs. Incredibly, the Congressional Budget Office has estimated that as much as 20 percent of Medicare spending is fraudulent.