

can expect an annual pay cut of approximately 5 percent over the next decade. That translates to between a 30 and a 36 percent pay reduction for physicians in this country over the next 10 years. Now, Mr. Speaker, I do not know of many small businesses where the expectation of their overhead payments is going to fall by a third over the next 10 years. Indeed, it will be very hard for many of these individuals to remain in business if this issue is not fixed. Not addressing this impending crisis would be negligent at best and put frail and elderly Medicare beneficiaries at risk of losing their physician.

The current Medicare physician payment methodology is fundamentally flawed, and it must be reformed. It is not going to be fixed by the application of a Band-Aid. This requires major surgery. A recent bill introduced, 5856, the Medicare Physician Payment Reform and Quality Improvement Act of 2006, will attempt to accomplish this and two additional goals.

The three purposes of this bill are, one, ensure that physicians receive fair payment for the services that they provide; number two, create quality performance measures and improve the quality improvement organizations that exist to improve the quality of care available to Medicare patients; and, three, identify reasonable offsets to give Medicare physicians a more regular and predictable payment update year to year.

Without intervention, payment for physician services will be cut more than 5 percent next year. H.R. 5866 ends the application of what is known as the sustainable growth rate on January 1, 2007, and institutes a single conversion factor, the Medicare economic index minus 1 percent. This creates a more market-based approach to physician payment by placing more value on the actual costs of inputs and not on arbitrary volume of service targets each year.

In other words, doctors would be paid the same as hospitals are paid, the same as nursing homes are paid, the same as long-term care hospitals are paid, based upon the market cost of inputs for providing that care.

The bill also establishes a system of quality performance measures so that physicians can voluntarily, and let me stress the word voluntarily, report data to the Center for Medicare and Medicaid Services. Patients can then assess the level of quality of their prospective doctors, the level those doctors are achieving, and decide which doctor they would prefer to use. These measures will be developed in collaboration with physician specialty organizations for core medical services to make certain that these measures are relevant and meaningful to that particular practice of that branch of medicine.

As an incentive to participate in reporting for performance measures, participating physicians will be permitted to balance bill certain high-income

Medicare beneficiaries. Redirecting the stabilization fund from the Medicare Modernization Act provides an additional \$10 billion for offsets. Eliminating the double payment from Medicare for indirect costs of medical education is another source of offsetting these costs.

Mr. Speaker, this August, the American Medical Association, in its publication the American Medical News, talked about this bill, 5866. Quoting now, it said that "the bill would ensure positive annual updates by tying rates to the Medicare economic index. This index is an indicator of how much doctors' cost of caring for patients is increasing. If lawmakers and the White House can approve the measure before Congress adjourns for the year, physicians would start receiving yearly updates equal to an approximately 1.5 percent increase in Medicare rates."

The bill drew endorsements, of course, from the American Medical Association. But also the American College of Obstetricians and Gynecologists and the American College of Clinical Endocrinologists are a few of the specialty organizations that have endorsed the concept of this legislation.

We need help to make real changes in this system. We need help from every Member on both sides of the aisle. We need to create solutions and stop simply talking about the Medicare problem. I am asking my colleagues to join me in cosponsoring H.R. 5866.

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

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REPUBLICAN PARTY AFRAID OF LOSING POWER

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Without objection, the gentleman from Washington is recognized for 5 minutes.

There was no objection.

Mr. MCDERMOTT. Mr. Speaker, we have not returned to Washington, D.C. to legislate on behalf of the American people. The Republican Party will spend the next 30 days trying to make us all afraid. They are afraid of losing power, and the only way they know how to govern is to play the fear game.

It is the Republican mid-term strategy that if you can make us afraid and keep us afraid, maybe they can cling to power. For the rest of September, until the moment the Republican leaders gavel the Congress into adjournment, Republican speakers will rise and implore the American people to be afraid.

Republicans will call it security. And every time they do, just remember they are speaking in code. Republicans really mean insecurity. During Sep-

tember, Republicans will wield the gavel, but they won't make America safer.

We will not consider, much less pass, legislation to protect our ports by inspecting the minimum number of cargo that it takes to stop a potential terrorist threat. We know what needs to be done, but the Republicans are hard on rhetoric and soft on action.

Republicans are going to use their insecure words so often I hope Lou Dobbs, John Stewart, and the others keep track and remind people daily of how often Republicans are willing to talk and how little they are willing to act.

After America was attacked on 9/11, the finest military in the world, the United States Armed Forces, was sent to Afghanistan to hunt down bin Laden and stop the Taliban. They did a magnificent job, until U.S. soldiers were ordered to leave before the job was done and go to Iraq. We don't have bin Laden and Afghanistan is now looking more like Iraq.

A Republican administration is responsible for diverting our military, draining our treasury, destroying our credibility, and making America less safe. The American people know that Iraq has nothing to do with 9/11, but the administration denies that intelligence. Instead, the President mechanically recites his standard PR line.

The American people know that we are off course and adrift in a sea of violence. U.S. soldiers are not fighting a war on terror in Iraq. They are targets in a civil war among Iraqis. When Republicans parade to the rostrum to outdo each other using their insecurity word, think of just how insecure our soldiers are.

Republicans keep saying things are getting better. This is disproved by their own Secretary of Defense, Mr. Rumsfeld, who ordered another 13,000 troops back into Iraq. There are now 140,000 targets. With 2,653 American lives lost and 19,600 wounded, the country deserves Democratic leadership that knows the Republican plan to stay the course is the most insecure plan for our soldiers, for our Nation, and for the Iraqi people.

But the Republicans are going to spend the next 30 days trying to stay in power. Nothing more. They will say their insecurity code word over and over and over again, but they won't pass the recommendations of the bipartisan Commission on 9/11. Republicans won't bring up immigration legislation intended to make our borders safer. Republicans won't address reforms to Social Security. Republicans won't bring up legislation to end taxpayer subsidies for Big Oil or launch a national campaign to end our addiction to oil.

Instead, the Republicans will tell you to be afraid unless you pay through the nose at the pump and Big Oil can drill in every part of the pristine environment on our planet. Republicans will tell you to be afraid for Social Security unless you give your money to Enron