The managed care industry has consistently claimed that a point-of-service feature in all health plans would greatly increase the cost of doing business. This assertion is simply not true. The point-of-service feature is not costly. According to a cost-impact study released this year by the actuarial firm of Milliman and Robertson, Inc., at the request of the Patient Access to Specialty Care Coalition, a point-of-service feature built into all managed care plans would place no financial burden on these plans.

Moreover, in testimony before the Congress this year, the Congressional Budget Office stated that requiring a point-of-service feature would not add to the Federal Government's cost of the Medicare Program. Instead, the cost is covered by patients, who expect to bear some additional expense for this point-of-service feature. This cost, however, is not great, and it is a simple actuarial calculation to determine a reasonable copayment. My legislation calls for the managed care plan to share with its potential enrollees the cost schedule for going out of network.

My legislation contains additional provisions to ensure that patients receive the full range of health care services to which they are entitled. It assures access to specialty care, and provides Medicare patients with an enrollee information checklist so they can have adequate and important information to compare the quality of all health care plans offered to seniors. Also, it includes several Medicare patient rights provisions, and a streamlined rapid appeals process within a health care plan, when there has been a denial of care. Finally, my bill places a ban on provider financial incentive schemes which result in the withholding of care or a denial of a referral.

My legislation does not include any provider protection and is not an any-willing-provider bill. Any-willing-provider provisions deal with the contractual relationships between health plans and providers of medical services. The focus of my bill is on patient choice and the health care rights of Medicare enrollees.

Mr. Speaker, H.R. 2350, the Patient Choice and Access Act of 1995, offers Medicare enrollees real choice and real patient protection. It will give the Medicare patient effective protection against the potential for restricting access to medically necessary health care services. Finally, it will provide a quality assurance check on all health care plans to make sure that they are providing the full range of health care services to their enrollees.

I urge my colleagues in the Congress to cosponsor this bill, and to join with me in my efforts to include these provisions in a Medicare reform proposal. Only if this patient component is included in Medicare reform legislation can we be able to say that we have worked to achieve quality health care and Medicare enrollees protection, and preserved patient freedom of choice in selecting health care providers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 5 minutes.

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

[Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

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

SUPPORT REPEAL OF THE DAVIS-BACON ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BALLENGER] is recognized for 5 minutes.

Mr. BALLENGER. Mr. Speaker, Congress is under increasing pressure to balance the budget. The taxpayers are demanding that Government be more efficient and held accountable for the expenditure of their hard-earned tax dollars. The Davis-Bacon Act is the perfect example of a law that is expensive, unnecessary, and difficult to administer. The act must be considered in light of its economic effects as well as its objectives.

The Davis-Bacon Act has long since outlived any usefulness it may have had. The rationale for special wage protection was never very persuasive but the act remains law, adding millions and millions of dollars to Federal construction costs.

Davis-Bacon was enacted to discourage non-local contractors from securing Federal construction jobs by hiring cheap labor from outside of the project area. Proponents of the legislation complained that this practice was disruptive to the local wage structure. When the act was passed 64 years ago, there was no Federal minimum wage or other labor laws with protections for workers. Since that time, Congress has enacted numerous laws to protect the wages and working conditions of all workers, including construction workers.

The taxpayers are the real losers under the Davis-Bacon Act. Some $48 billion of construction spending annually falls under the Act's coverage. In effect, Davis-Bacon is a tax on construction. For example in Baltimore, the Davis-Bacon requirements add between 5 and 10 percent to the costs of inner city housing. Davis-Bacon effectively wipes out much of the good that banks do when they provide lower interest rate loans to such projects.

Clearly, Davis-Bacon drives up construction costs. Electricians in Philadelphia who are working on a Davis-Bacon project are paid about $37 an hour compared with electricians on a private contract who are paid an average of $15.76 an hour. Companies can not stay in business paying $15 to an employee who is worth $6. If companies have to pay $15 per hour, they are going to hire skilled workers, thus effectively shutting out those who need the opportunity to acquire job skills and work experience.

The total cost of Davis-Bacon extends to State and local government construction programs, this having the same practical implications as an unfunded mandate. Davis-Bacon is particularly burdensome in the area of school construction, by restricting the ability of school districts to reduce construction costs. For example, the cost to build two schools and an academic center in Preston County, WV, could have been reduced by one-third or $1.9 million dollars, had the projects been exempt from Davis-Bacon. The savings could have been realized for the taxpayers or used in other ways through the educational system.

There are additional costs to Federal agencies, which must collect, process, and disseminate thousands of wage rates. Likewise, there are direct costs to contractors who must comply with the recordkeeping and paperwork requirements under the Copeland Act. Compliance costs to the industry total nearly $100 million per year, money which could be better spent creating additional jobs.

Recently, an investigative report was released which detailed fraud in the survey process used by the Department of Labor to determine prevailing wages in certain areas in Oklahoma. The report uncovered numerous instances of interested parties claiming phantom projects and ghost employees, all with the intent of inflating the official wage rates issued by the Department of Labor. In some cases, employees were allegedly paid $5 to $10 an hour more than actual market wages in the area. After repeated demands by local authorities and the involvement of members of the Economic and Educational Opportunities Committee, the Department of Labor revoked the wage determinations in Oklahoma City and Tulsa because of the allegations of fraudulent data. Scandals of this nature erode public confidence in the Government procurement process.

Repeal of the Davis-Bacon Act would have the taxpayers $2.7 billion over 5 years. It would allow the Federal Government to get more construction for the money, or to get the planned construction done for less money. Over 4,000 petitions were sent to Congress from taxpayers across the country supporting repeal of the Davis-Bacon Act. Last November, the voters sent a message to Washington. They want to end Government that is too big, costly, and intrusive. I urge my colleagues to support repeal of the Davis-Bacon Act.

□ 1730

REMOVAL OF NAME OF MEMBER AS A COSPONSOR OF H.R. 2072

Mr. FOX of Pennsylvania. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of H.R. 2072.