

My mother is 86 years old. She lives by herself. She has had some medical problems. Thank goodness for Medicare. It's been there when she needed it, and that story is told over and over again. She is happy, but equally important, her family is happy.

As her son, and my brothers, we are all very content that she is under Medicare and has quality health care available to her and a quality of life, which was not around 30 years ago.

So, the Republicans come to the floor and say, We are just trying to preserve Medicare. Well, excuse me if I am skeptical. Medicare was created by the Democrats. A person like BOB DOLE voted against the Medicare plan when it was originally proposed, and many Republicans did as well.

This plan for Medicare has been in place for 30 years, a creation of the Democrats, has worked and worked well. We fear, many of us on the Democratic side of the aisle, that the Gingrich Medicare reform plan is a disaster.

Mr. Speaker, I think the Republicans know it as well. They will not bring it out in the light of day. They will not let us see the details of it. They will not let us have committee hearings. They will not even let us offer but one amendment, one substitute. They are talking about maybe 2 hours of debate on the floor of the House for something that could literally affect American families for decades to come.

Let me tell my colleagues several of the things they should know about it. The Republicans want to cut \$270 billion out of Medicare spending. They say that is to save Medicare. That is not what the trustees say.

The trustees say we need to reduce spending by \$90 billion, one-third of the amount. Why did they triple the cuts to increase premiums for seniors, to reduce the services available? They need the money for other purposes, and the purposes are very clear. They want to create a tax-break package. A package which, frankly, goes way beyond what working families need.

It is a tax-break package primarily for the wealthiest people in this country: \$245 billion dollars. Nothing new. This is the old Republican philosophy. The big business philosophy. The trickle-down philosophy. If you give enough money to the wealthiest people in this country, the Republicans believe that somehow it will eventually get down to working families.

Well, I applaud them for their consistency, even though they have been proven wrong historically and economically. But here they go again. To find the money for it, they want to cut Medicare.

The other thing that troubles me greatly is if you talk to people who receive Medicare payments, the providers, you will find that by and large they are honest and ethical people who are working hard to provide good quality health care, and God bless them for their hard work.

But they will also acknowledge that there are a lot of wrongdoers as well.

One to two percent of the people who turn in bills to Medicare are frankly trying to rip-off the Government through fraud and waste and abuse. We know it and we know it costs us dearly.

We estimate 10 percent of all Medicare billing each year is fraudulent; \$18 billion lost that should be spent to help people and reduce our deficit. We have had some tough laws on the books. They should get tougher. But know what? The Gingrich Republican approach on Medicare reform lightens the load; makes it harder to prove fraud on the part of those who would try to rip-off the system.

They say it is a sweetheart deal which the Speaker cut with some of the interest groups. I do not know if it is or not, but the bottom line is the Federal prosecutors who have looked at the Republican Medicare reform plan have come to the conclusion that it is going to make it tougher to go after the wrongdoers. That is not fair and it is not fair to the seniors and it is not fair to the taxpayers.

Mr. Speaker, I hope the people of the United States will tune into this debate this week. The Republicans have tried to keep it under wraps. Now it is time to bring it out into the light of day and make sure America knows what is in store for them if these Gingrich Medicare reform plans go through.

MEDICARE REFORM SHOULD ROOT OUT FRAUD AND ABUSE

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

Mr. BROWN of Ohio. Mr. Speaker, I have conducted numerous town meetings and hearings in my district on Medicare. As my friend, the gentleman from Illinois [Mr. DURBIN], just said, unfortunately, hearings have not taken place in this institution in this body for the public to hear them.

But at these hearings which I have conducted, and in town meetings, I have heard over and over again people's anger about the \$270 billion in Medicare cuts in order to pay for tax breaks for the wealthiest citizens in this country, the people who need them the least.

But what also concerns me and what troubles me is something else that I hear at these hearings, these town meetings, and that is people believe there is a good deal of fraud in the Medicare system. That fraud is something we have to aggressively pursue and prosecute and root out and do something about.

That is why it particularly troubles me and concerned me to see an article in USA Today, an editorial on Friday, and the headline reads, "Medicare Reform Invites Doctors To Bend the Rules. Easing Limits on Physicians' Self-Referral Is Bound To Cost the Medicare Program Billions of Dollars That It Can't Afford."

USA Today goes on to say:

No wonder the American Medical Association has signed on to Medicare reform, with the deal that they made with Republican leadership. The Republican Medicare bill actually promotes fraud, waste and abuse in several areas, particularly in its weakening of the ban on physician referral of Medicare and Medicaid patients for tests and treatment in places where the doctor has a financial interest.

Another newspaper talking about this agreement made between Republican leadership and the American Medical Association says:

Regrettably the Speaker's concessions made an already bad Medicare bill substantially worse. The Gingrich bill was never designed to give the elderly high-quality health care. It is less likely to do so now.

Unfortunately, this piece of legislation, this Medicare bill which the American people have not been able to find out much about, because there have not been hearings in this institution, that Gingrich Medicare bill eliminates fraud by legalizing it. It simply makes things legal that were not legal before. It encourages more fraud, instead of less.

Not too long ago, about a week ago, in the Committee on Commerce, a committee on which I sit, the committee that heard the Medicare and Medicaid bills. Rather, did not really hear them, because we were not allowed to have hearings, but a committee that discussed Medicare and Medicaid and allowed amendments and we talked about the bill, my colleague, the gentleman from Michigan [Mr. STUPAK], offered a substitute bill that would have, instead of cutting \$270 billion in Medicare in order to give tax breaks to the wealthiest citizens in this country, would have gone directly after fraud and abuse in the Medicare program.

Unfortunately the chairman of the committee ruled the Stupak substitute out of order. We were not able to debate this or discuss this and we were not allowed to vote for a bill, instead of \$270 billion in cuts to Medicare beneficiaries and to give tax breaks to the wealthiest citizen, instead it would have devoted resources to rooting out fraud.

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The Office of Inspector General reports that every year for every \$1 spent on going after fraud and investigators and inspectors and prosecutors, that \$80 is recovered that can go back into the Medicare system. So why are we cutting \$270 billion out of Medicare to pay for tax breaks for the wealthy and why are we cutting back on the enforcers and the investigators and the prosecutors and the people that for every dollar spent can recover \$80?

I think it goes back to that editorial in USA Today about the arrangement that the American Medical Association made with the Republican leadership in this House. It is troubling to me that we could save much more than even the trustees said. They said that we need to cut \$89 billion in order to keep Medicare strong for the next decade or

so. We are saying that pursuing fraud the way that we can save almost \$100 billion. The inspector general says that 10 percent of Medicare moneys are fraudulent, that over the space of the next 7 years, \$200 billion will be lost to fraud. If we can go after that fraud, whether it is durable medical equipment reform, whether it is putting in civil penalties for kickbacks, whether it is strengthening conflict of interest rules, whether it is grand jury disclosure, increased subpoena authority, all these together, if we can only save half, if we can only recover half of the fraud in the Medicare system, we will have more than enough to meet the trustees' recommendation, to keep Medicare strong for the next 10 years.

Mr. Speaker, it simply does not make sense to make these cuts in Medicare to give tax breaks to the wealthy. We should go after fraud aggressively. We should crack down on fraud, not cut senior citizens' ability to get health care.

MEDICARE DECEPTION

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. McDERMOTT] is recognized for 60 minutes as the designee of the minority leader.

Mr. McDERMOTT. Mr. Speaker, in these Halls in 2 days we will have a vote on H.R. 2425. It is the Republicans' plan to slash Medicare by \$270 billion over the next 7 years. Now, if you believe the Republican rhetoric, every one of us here would think that these drastic cuts are necessary to prevent the Medicare program from going bankrupt. Nothing could be further from the truth. These cuts have little to do with saving Medicare or the part A trust fund.

Let me say, we throw terms around in this House that are often not well understood by the public. Medicare is divided into two pieces: part A, which is the hospital payments, and part B, which is the payments to doctors and other providers of services to the elderly. These cuts have little to do with saving part A.

The Republicans are cutting \$270 billion from Medicare because they want to use that money to offset the \$245 billion in tax cuts for wealthy Americans.

Now, ask yourself this: If the Republicans were so concerned about the impending bankruptcy of the Medicare trust fund, how come they never mentioned it before November 1994? It is ironic, when you think about it, that with all of the Republican rhetoric about saving the trust fund, the only action they took this year in 1995 was to approve a tax provision in the Contract on America which takes money out of the hospital trust fund through a reduction in the amount of Social Security taxes paid. Over \$36 billion would be removed from the fund over the next 7 years as a result of that leg-

islation that has already passed this floor.

You heard me right. The first thing the Republicans did was to take \$36 billion out of the trust fund. They will stand out here and say we have to put this money into the trust fund, but the first thing they did was to take it out.

Furthermore, the issue of the insolvency of the part A trust fund has simply nothing to do with Medicare's supplementary insurance that is part B, the report of the part B trustees, which you never hear mentioned on this floor, is that part B is actuarially sound. It is absolutely financed.

Therefore, if you are making cuts in Medicare which are being made solely to save part A, the hospital part, there is no need to take \$140 billion in cuts out of part B. Almost \$54 billion is in increased premiums to seniors that they pay each month. That is not necessary to save part A.

Not 1 cent of the money cut from part B in their proposal, which you will see on Thursday, will go into part A. The dollars go into the general fund to take care of the tax cuts which will follow.

As a result of the increasing public opposition to these drastic cuts in Medicare, the Republicans had to do something, which is saying, you are just shifting the money around. So they said, we will create a lockbox which they claim will sever the connection between the Medicare savings and the tax cut. They are going to try and divide it.

One of the reasons why we are voting on Medicare this week and the tax breaks next week is they do not want you to think there is any connection. This lockbox is simply an illusion. It is really a return to the kind of smoke and mirrors budget gimmickry that they hope will fool the American people.

The Republicans think that the American people are stupid. They want us to believe that by depositing the money they cut from Medicare into a separate account, they can prove that the Medicare cuts will not pay for tax breaks.

Now, we all know that money is fungible. The term we use around here is fungible. You can use it here, you can use it there. It makes absolutely no difference which government account the money is put into or taken out of. The Government must pay its bills, and it does not matter which checking account it is in. You can have a bunch of different checking accounts. It is still government money. It comes from taxes. They are just simply trying to hide it.

The bottom line is that the Republican lockbox is just a new Federal bank account. The Republican Medicare bill and the rhetoric that makes it sound as if no spending is allowed out of the lockbox is simply an illusion.

Their bill allows borrowing. They put it into the lockbox. You cannot spend it, they say, but you can borrow it. In

fact, it requires the lockbox to lend money to the Department of the Treasury.

Coincidentally, of course, the Treasury Department needs these funds because of the Republican tax break. The American people need to know that the money from the cuts in Medicare not only goes into the new lockbox, but the money goes right through the lockbox and into the pockets of the wealthiest taxpayers who will benefit from the Republican tax cut. Over half of that \$245 billion in tax breaks goes to people making more than \$100,000.

Now, to further mislead the American people, the Republican leadership has suddenly decided that this Medicare legislation will have a separate vote in the House of Representatives. The Medicare legislation will be considered separate from reconciliation. On Thursday we do Medicare. Next week or sometime thereafter, who knows, we will have the reconciliation bill which will have all the tax breaks in it, and the Medicare legislation will be incorporated by reference.

That is a fancy term we use in the Congress to say, what happened a few days ago applies today. They will say they are totally disconnected, but in fact the bill contains an incorporation by reference.

Without that phrase, without that incorporation by reference, the Congressional Budget Office would not be able to count the Medicare cuts in determining whether the reconciliation bill includes enough deficit reduction to allow the \$245 billion in tax breaks to go forward.

The Republican leadership has created a perfect scenario for spin control and deception. They can argue that the \$270 billion in Medicare cuts are separate from the \$245 billion in tax breaks while at the same time counting the savings from Medicare toward the amounts needed to balance the budget.

Now, you can get as fancy parliamentarily as you want to here, but no amount of procedural vote wrangling or accounting gimmicks can hide the fact that the \$270 billion in Medicare cuts are tied to the \$245 billion in tax breaks. The numbers match.

In addition to creating this lockbox, which could be raided at any time, the Republican bill does not extend the solvency of the part A hospital trust fund any longer than the Democratic substitute bill but it slashes Medicare by three times as much. The Republicans cannot hide this any longer.

Although they claim that their plan will extend the solvency of part A until 2014, and you will hear this on Thursday, you will hear 2014, it is not true. The net impact of the Republican plan is to extend the solvency of the hospital trust fund, part A, until 2006 at a cost of \$270 billion.

I dropped in a bill, H.R. 2422, which also extends the Medicare trust fund until 2006, but it costs \$90 billion, not \$270 billion, \$90 billion.

Four of the Medicare trustees and the HCFA Administrator—HCFA is