

House chose to make Medicare premiums the focus of its public attacks. The president's advisers believe Medicare is their best weapon in the budget fight, and they have sought to turn the entire budget debate into a battle over the federal health program for senior citizens. Public opinion polls suggest this strategy is working.

Yet the Medicare premium increase itself isn't a do-or-die issue for many elderly and consumer groups, not even for the powerful American Association of Retired Persons. "What we have said is that we recognize that seniors need to be part of the solution," says John Rother, legislative director for the group, which has 33 million members. "And that sacrifice is better borne by premium increases" rather than through higher deductibles and copayments, which affect the sickest beneficiaries the most.

Here's what the premium battle is all about: Five years ago, the last time the federal government shut down because Congress and a president were squabbling over the budget, the eventual legislative deal wrote into law the dollar-amount of Medicare premiums for the ensuing five years. The idea was to set the amount elderly beneficiaries would pay at 25% of the total program cost, with general tax revenues subsidizing the rest. (When Medicare was first enacted 30 years ago, the elderly were expected to pay 50% of the premiums.)

But because the program costs didn't rise as much as lawmakers anticipated, the 1995 charge, \$46.10 a month, actually amounted to 31.5% of the premium costs. That was to be rectified Jan. 1, 1996, when the law prescribed that premiums would be set at 25% of costs, no matter what the dollar amount was. That means they were scheduled to actually drop, to \$42.50 a month.

But Republicans want to save the Treasury money—and, Democrats charge, pay for their proposed tax cuts—by keeping the premiums at 31.5% of costs, which would amount to \$53.50 a month. Administration officials accuse Republicans of trying to balance the budget on the backs of the elderly and trying to sneak their budget priorities past the president by attaching them to the temporary spending measure. Republicans contend that it would be irresponsible to lower premiums.

A RESPONSIBLE THING TO DO

The decision to set premiums at 25% of costs, despite the dollar amount, was part of President Clinton's 1993 deficit reduction package, which passed Congress without a single Republican vote. A number of Democrats involved in those negotiations say that they didn't expect premiums to actually decrease because of it. In fact, many privately believe that keeping premiums at least at current levels is the responsible thing to do.

Mr. Reishauer said, "31.5% as part of a fundamental structural change in Medicare is entirely appropriate, especially when combined with a surcharge on upper-income beneficiaries," as called for in the GOP plan. "Medicare is a very expensive program. And it's going to have to be one that's supported not just by the general taxpayer and those paying payroll taxes, but also by the beneficiaries."

An idea put forth by some Senate Republicans to freeze premiums at \$46.10 in the stopgap spending measure stumbled yesterday afternoon, but some lawmakers were hoping to make it the basis of a future compromise. An administration official involved in the budget deliberations privately concedes that keeping Medicare premiums at the current level "wouldn't be the worst thing in the world" in the context of an overall balanced-budget package. But, the official adds, accepting any Medicare com-

promise with the GOP would be politically tough.

The other objection is a procedural one—but it, too, is laden with politics. Instead of saving the Medicare premium increase for the giant balanced-budget package, Republicans attached it to the temporary spending measure, designed simply to keep the government running while the White House and Republican congressional leadership negotiate a balance-budget deal. President Clinton calls this "blackmail."

A STRONG MOTIVATION

But the GOP has a strong motivation for pushing the issue now. Most elderly people might not notice the proposed increase if it is enacted soon.

That's because Medicare premiums are deducted from beneficiaries' monthly Social Security checks, and Social Security recipients are scheduled to get a 2.6% cost-of-living increase as of Jan. 1. That means the average Social Security check will rise to \$720 from \$702, according to the government. If Medicare premiums grow to \$53.50 on Jan. 1, recipients' checks will still be higher after the monthly Medicare deduction—\$666.50 on average, compared with \$655.90 today.

But if Republicans wait to negotiate higher Medicare premiums in a budget deal, Medicare premiums will fall on Jan. 1 as scheduled, then spike up. And the GOP would most likely take the public blame at the worst possible time—the beginning of a presidential election year.

The timetable for the GOP becomes even more urgent because the Social Security Administration needs to know the premium by tomorrow in order to make the changes for the monthly checks that go out Jan. 3, according to an agency spokesman. He said the agency's computer experts are trying to figure out a way to move the deadline back a few days.

The AARP's Mr. Rother insists that higher premiums should be considered only as part of a comprehensive Medicare-overhaul package, not as an add-on to the stopgap spending bill. "The issue of premiums is part of the larger questions surrounding the shape and size of Medicare," Mr. Rother says.

Both he and other advocates of the elderly are concerned about the premium increase in the context of the entire GOP health program. "When it comes to 31.5%, assuming it's in the Medicare budget bill," and not in the stopgap spending bill, "we can live with it, provided there are protections for low-income people," says Gail Shearer, director of health-policy analysis for the Washington office of Consumers Union, which publishes Consumer Reports magazine.

Currently, the poorest beneficiaries receive Medicaid subsidies to help pay for Medicare premiums, copayments and deductibles. Under GOP plans to revise Medicaid, the health program for the poor would be turned over to the states in the form of block grants. The legislation would require states to spend a certain percentage of their funds on the poor elderly, but, with premiums rising, advocates are worried the aid won't cover everyone who needs it.

STILL COMING OUT AHEAD

| | 1995 | 1996 current law | 1996 GOP proposal |
|---|--------|------------------|-------------------|
| Average monthly Social Security payment | \$702 | \$720 | \$720 |
| Monthly Medicare premium deduction | 46.10 | 42.50 | 53.50 |
| Actual monthly Social Security check | 655.90 | 677.50 | 666.50 |

□ 1900

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

PRIORITIES MUST BE ESTABLISHED IN BUDGET

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

Mr. FOLEY. Mr. Speaker, I bring to the floor today some of the mail I have received, and I want to share it, both pro and con, for what we are doing here in Washington.

Gloria Chamberlain from Stuart, FL:

DEAR REPRESENTATIVE FOLEY: Please do not give in to the Democrats in Washington concerning the budget or Medicare. The polls are wrong and the people are with the Republicans. Stay firm and tell the White House that big government days are over. Thank you for all you are doing and please stand firm.

Mike Salyers, Fort Pierce: "Support what you are doing. Hang in there. Need a balanced budget."

Diane Crisco, Port St. Lucie, FL. Balance the budget. She does not care if Government shuts down. Solve immigration problems.

Lisa Carroll, Stuart, FL. Do not back down. We must balance the budget.

Mr. Gus Heck from Stuart. Mr. Heck wants Congress to drop the riders in the continuing resolution and debt resolutions.

Richard James of Stuart. "Get rid of add-ons. You are holding the President back from signing CR because of extra stuff on bill. Stop holding America hostage. Very angry. Voting Democrat next time."

On Medicare we got a lot of responses from seniors. We sent out 117,000 requests for information. We have received over 6,000 back. Many people support us but would like to stay on the regular Medicare plan. Would consider an HMO.

Ms. Presensky from Fort Pierce somewhat opposes, wants to know more. Stresses take away fraud not benefits. She cannot get an HMO where she lives. We are hoping to change that. But she wants decreases in food stamps, decreases in foreign aid, decreases in welfare, and increases in veterans benefits.

We have Ms. Sutter from Port St. Lucie. Strongly supports the Republican plan. Would stay with regular Medicare, and she can do that. Supports Medicare, decreasing food stamps, decrease in the National Endowment for the Arts, decrease in the B-2 bomber, decrease in foreign aid, and a decrease in welfare. Supports

veterans benefits. Please see that Congress puts some teeth in the new Medicare Preservation Act. Since its inception, the Medicare program has been riddled with fraud.

Mr. Speaker, I want to spend a moment on that. I think it is significant that we in Congress face the fact that there is tremendous amount of fraud in our system of Medicare. We read and see the reports on TV, we see the special reports that many of the news stations have done, and it is appalling. It is appalling that in this Nation there are entrepreneurs in the health care industry that are ripping off our society for hundreds of millions of dollars.

We have to focus on these problems. We have to find ways to find those perpetrators of the crime and take their licenses away, take their opportunities to do business away, lock them in jail like the criminals that they are. It is amazing to me that people can rip off our system for the hundreds of millions of dollars and walk away and say, well, we are going to get fined \$10,000, so my theft of \$100,000 certainly works out as a better fiscal advantage for me.

Mr. Speaker, I get that in letters constantly from my constituents saying to me, MARK, we have a lot of problems.

Let me read this letter from Maria Rooney in Jensen Beach. She opposes the plan but would like to stay on regular Medicare.

Just a few lines to support my choices. I am 75 years of age and I work at a stand-up job every day. It also includes lifting cartons of merchandise. I continue to contribute to Social Security and to Federal income tax.

I feel that Medicare can remain the same if controls be placed on it. Too many are taking advantage of food stamps and welfare making it an impossible situation for the poor elderly who must depend on it.

The veterans fought for our country. Many in impossible situations, locations and living conditions. Many were away from home for years.

Immigration is out of control. At one point in time people were sent back to their countries because of very strict health rules. Now we take them in knowing they are not in the best of health. Is this in the best interest of our country, which is bent on taking help and aid from our own poor and elderly?

Well, Marie, we are very concerned about that. There is not a person on my side of the aisle that is trying to take benefits away from people who have worked their entire life serving in the military or seniors that are entitled to benefits. We are increasing the benefit ratio. We are spending more money. We are going from \$4,800 to \$6,700. We are increasing 40 percent on our Medicare spending but we are targeting illegal immigration.

Mr. Speaker, it is amazing to me how our immigration law have become so lax; how people have been able to take advantage of the system of government, those that have served. I spoke at a veterans day ceremony this weekend, and it is sad to me that people, men and women, have lost their lives in pursuit of freedom in this country and we are telling them, in some cases,

that their service maybe was important but not as important as other things.

Priorities must be established in this budget. Priorities must be established for those who have served our country and served our people, but there are so many things that are wrong with our system. If we close our eyes and say everything is fine and go back to spending, and spend, and spend, and spend, this Nation will not clean up its fiscal house.

I urge my colleagues as we continue the debate on Medicare to stress for more scrutiny on those that would rip off our elderly, those that would rip off our society and waste our tax dollars through fraud and abuse.

ORDER OF BUSINESS

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent that I be allowed to switch my special order with the gentleman for New Jersey, [Mr. PALLONE].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

REPUBLICANS ARE SECRETIVE ABOUT CONTENTS OF BUDGET RECONCILIATION

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

Mr. PALLONE. Mr. Speaker, I was just listening to the gentleman from Florida talk about Medicare and the budget, and I guess my response, initially, is that I just wish I knew what was in this budget reconciliation, as we call it, and what is coming out of the conference. Because one of the things that outrages me is the whole process that the Republican leadership has used from the very beginning in dealing with Medicare and the budget, and that is that we, as Democrats, do not know what is going on.

Mr. Speaker, they started out by bringing up the bill in the Committee on Commerce, in the Committee on Ways and Means, in some cases without any hearings, in some cases with very few hearings, giving us drafts of the bill either on Medicare, Medicaid, or the other reconciliation items either the night before or sometimes the morning that we were expected to vote on it.

This process continued today. I was really outraged when I went over to the Senate today. Last night those of us who were conferees on the budget, those of us who were supposed to work out the differences between the House and the Senate, were told last night that there was to be a conference at 3 o'clock this afternoon over on the Senate side. When I went over there with my other colleagues from the Committee on Commerce and from other committees we were first of all told there were not going to be any opening state-

ments, that we were not allowed to speak; then we were told we were not allowed to ask questions; and finally, we were not even given a copy of the conference bill that has been mostly worked out in secret by the Republican leadership in the House and the Senate.

So once again, Mr. Speaker, this process continues. The Republican leadership does not want the American people, and certainly not the Democrats in this House, to know what they are doing. They hammer out secret agreements, in the case over the budget, over Medicare and Medicaid, without having any Democrats participate in the process. It certainly is not fair, it is outrageous, and it goes against the very democratic process that this House and this institution are supposed to be all about.

These are important issues. The differences between the House and the Senate bill on Medicare and on Medicaid are significant. For example, in nursing home standards. We know that in the Senate bill they continue the Federal nursing home standards. They do not in the House bill. How do I know what the difference is and what has been worked out in conference? I will probably have to read about it in tomorrow's newspaper.

We also know there was a significant difference with regard to pensions, because in the House version basically corporations are allowed to dip into their employees' pensions to use for various purposes. In the Senate bill they were not allowed that. I read this morning in the Washington Post that the conference has worked out a plan which says that a controversial provision that would allow corporations to withdraw excess money from workers' pension funds to pay for other employees and retirement benefits is apparently in the conference bill.

It is nice I read it in the newspaper, but there is no indication at this point as to what really happened. Certainly not the intricacies of what happened.

I also got a press release today with regard to my home State of New Jersey. Some of my Republican colleagues, in fact half of them on the other side, voted against the Medicare bill and against the Republican budget bill, as did I, because they thought it was unfair to the State and it would hurt senior citizens in the State of New Jersey.

An AP story comes out and says New Jersey office estimates higher Medicaid funds for the States. Apparently, the conference, which I have not seen, includes another \$654 million in additional money beyond the House version in the bill for the State of New Jersey. Of course, they failed to point out that current law would provide \$6 billion more. So, in effect, we have lost about \$5.5 billion because of what came out in the conference report.

Again, Mr. Speaker, it is a constant effort to be secretive about what is going on, to reveal items in press releases or in the newspapers the next