

[Mr. WELDON of Pennsylvania 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 gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS 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 Oregon [Ms. FURSE] is recognized for 5 minutes.

[Ms. FURSE 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 Washington [Mr. METCALF] is recognized for 5 minutes.

[Mr. METCALF 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 gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

[Mr. WELDON of Florida 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 gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

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

HEALTH CARE REFORM UNDER THE KENNEDY-KASSEBAUM BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 30 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I would like to talk about health care reform, and particularly the effort that has been put into legislation and has been passed now in both houses that was sponsored in the Senate by Senators KASSEBAUM and KENNEDY on a bipartisan basis and here in the House by the gentlewoman from New Jersey, Congresswoman ROUKEMA, who is a Republican, as well as a number of Democrats.

This reform was essentially put into motion, I believe earlier this year, when President Clinton, in his State of the Union Address, called upon both the House of Representatives and the Senate to pass the Kennedy-Kassebaum

bill, as it has come to be called, in order to achieve incremental health care reform, particularly as it deals with what we call portability; that is the ability for someone to take their insurance with them if they change jobs or if they lose their job or become self-employed, and also with regard to preexisting conditions.

As many of my colleagues, I am sure, are aware, right now if one has a debilitating condition or some sort of health condition that would probably result in a greater amount of health care, many insurance companies in many States will simply not provide insurance to such an individual, even when they are willing to pay for it.

So President Clinton, who, as many of us know, was instrumental in trying to raise the attention of the American public and the Congress a few years ago to the need for health care reform and the need to provide more Americans with health insurance coverage, acknowledged in his State of the Union Address that although he had not been able to achieve a system of universal health care coverage, that did not mean that we should not try to move in an incremental way, in a small way, toward some health insurance reform.

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He called upon the Congress to pass the Kennedy-Kassebaum bill this session and indicated that he would sign it once it passed both the House and the Senate. If I could just say very briefly the Kennedy-Kassebaum bill essentially would make it easier for workers who lose or change jobs to buy health coverage, and it would limit the length of time that insurers could refuse to cover an applicant's preexisting medical problem. Hence, again, the main purpose of it is to increase portability for health insurance and to abolish the situation with those with preexisting conditions who would not be able to get health insurance.

Now, the Senate last week passed the Kennedy-Kassebaum health insurance reform bill unanimously, 100 to 0. Unfortunately, here in the House of Representatives, much earlier, a few weeks earlier, perhaps a month earlier, we passed a bill that included and added to the Kennedy-Kassebaum measure a number of controversial provisions that, I believe and I think are almost universally recognized, would doom the chances of this legislation becoming law.

Among the special interest provisions in the House bill are the so-called medical savings accounts, tax-free savings accounts from which participants could pay for everything but catastrophic health care costs. The problem with such accounts, although they may seem like a good idea on their surface, is that they would be a good deal only for the healthiest, wealthiest people in our health care system, those who do not have the high health care costs that they have to incur on a regular basis. But health insurance would in-

crease for the average American because insurance companies would be left with only sicker and more costly enrollees in their health insurance plans.

Mr. Speaker, so basically what the medical savings accounts do is provide a tax break, if you will, for the healthiest and wealthiest among us. That means that by dividing the insurance pool so that the healthiest and wealthiest Americans are taken out of the insurance pool, which relies on having all types of people in it, would be divided. The sicker and the poorer people would remain, which would result in the insurance companies having to raise their premiums.

Most important, though, in terms of what I believe the Republican leadership here in the House was trying to accomplish by adding these provisions, the medical savings accounts, to the Kennedy-Kassebaum bill, was essentially that they were trying to pay off, if you will, or provide a financial windfall for the Golden Rule Insurance Company, whose top executive has given Republican political committees over \$1 million in contributions in the last 4 years. Now, Democrats in the House offered a straightforward health insurance reform bill as a substitute for this more controversial bill with these added provisions.

The Democratic substitute would have prohibited many of the current unfair insurance practices which fail to protect individuals and families with significant health problems and make it difficult for small businesses to obtain quality coverage for their employees. The Democratic substitute would have made it easier for people who change or lose their jobs to maintain adequate health insurance coverage, just like the original Kennedy-Kassebaum bill. It also included a provision whereby the self-employed could deduct 80 percent of their health insurance costs.

Now, of course, when a bill passes the House and a different bill passes the Senate, they have to go to conference, and in the conference they come up with an agreement on what bill would finally come back to both House of Congress and be considered before it goes to the President. What we have to hope is that when this conference occurs that the conference committee will drop the controversial House provisions and send a bipartisan bill to the House or Senate floor for final approval that can pass.

Mr. Speaker, I wanted to go into, in the time that I have tonight, a little more detail about some of the differences between this House and the bill and why I believe very strongly that we must bring something very similar to the Senate bill, in other words the original Kennedy-Kassebaum bill, to the floor if we are ever going to see health insurance reform this year.

Let me comment a little bit on the politics, if you will, of the Republican leadership in the House basically would