

deficit while maintaining a healthy, growing economy. But there is still a long way to go.

While I am voting in support of the measure, the bill is far from perfect. In the past 2 days important improvements have been made to the legislation. The leadership should be commended for continuing negotiations. However, further changes are needed in key areas including children's health care, reproductive choice and medical savings accounts.

I am very concerned about the inclusion of the Hyde amendment restrictions in the children's health initiative. I believe the inclusion of this anti-choice rider is an inappropriate infringement on reproductive rights.

I am pleased that the bill includes the \$16 billion in funding for the children's health care initiative, as outlined by the budget resolution. Making health care affordable and accessible to our country's 10 million uninsured children must remain a core budget priority. Even though I believe we should provide States with much-needed flexibility in implementing the initiative, we must ensure that States use the new funds to expand health services for children in need.

Many States have already acted in very aggressive and innovative ways to expand health coverage to uninsured kids. Unfortunately, the formula included in this bill is structured so it penalizes States like Oregon that have already taken action to provide health care to more children. The distribution of funds is unfair and it is bad policy. We should be rewarding Oregon, and other States that have already invested in creative policies for expanding coverage. Instead, the bill rewards inaction and punishes innovation.

Finally, I must express some deep reservations over the inclusion of a large medical savings account demonstration project for Medicare beneficiaries. I am very concerned about the effects MSA's could have on Medicare beneficiaries. In my view, a 500,000-person demonstration project is much too large to test the impact of MSAs on Medicare. Because of the uncertainties associated with MSA's, any demonstration project must proceed with caution.

Today is another step in this important budget process. I support this step, and urge my colleagues and the administration to continue our hard work for budget legislation that will best serve the American people.

BALANCED BUDGET ACT OF 1997

SPEECH OF

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. COYNE. Mr. Speaker, I rise today in opposition to the portion of the 1997 reconciliation bill that we are considering today. I oppose this bill because there a number of provisions contained in it that are so objectionable that I cannot support this legislation in its current form. Let me outline my objections to this bill.

Until this morning, the House welfare legislation would have allowed States to pay welfare recipients less than the minimum wage for publicly sponsored work programs. This isn't right. Work is work. Everybody should earn a living wage. States should not be permitted to treat individuals on welfare differently from other workers. Afraid of the political repercussions of such a patently unfair policy, the majority has modified its legislation in the Rules Committee. While I am pleased that the House leadership has conceded that welfare workers ought to be paid at least the minimum wage, I think that the changes that were made to this legislation do not go far enough. Welfare workers still will not be ensured of adequate protection from sexual harassment, discrimination, or health and safety violations in the workplace. Welfare workers also will not be assured that they will receive the same benefits and working conditions as other workers doing the same type of work for the same employer.

The House bill would allow States to privatize their Medicaid and food stamps eligibility processes. I believe that making eligibility determinations is an inherently governmental function that should not be privatized, and that the privatization of eligibility determinations could lead to many unfair and inappropriate eligibility determinations.

The welfare portion of the House bill also overturns an appeals court ruling mandating that States use alternative base periods for determining unemployment compensation eligibility. By overturning the court's ruling, the bill denies many low-wage, intermittent workers access to unemployment insurance benefits at the times when they need them most. It seems to me that states should use workers' most recent earnings history to determine eligibility for unemployment compensation benefits.

Finally, the welfare portion of the reconciliation bill breaks both the spirit and the letter of the budget agreement in its treatment of legal immigrants. The budget agreement stipulated that legal immigrants in the United States by August 22, 1996, but who become disabled after that date would be eligible. Under the House bill, only legal immigrants who were on the SSI rolls as of August 22, 1996 would continue to be eligible for SSI payments.

In addition to the welfare provisions of this legislation, I object to a number of the bill's Medicare provisions as well. The Medicare portion of the reconciliation legislation includes a provision authorizing a demonstration project of 500,000 medical savings account [MSA's]. At a time when we are fighting to preserve the Medicare program, we should not be giving hand-outs to the healthiest and wealthiest Medicare beneficiaries—especially when these hand-outs cost the Medicare program money.

The Medicare portion of the legislation falls short with regard to managed care consumer protection provisions as well. It does not include some critically important managed care consumer protection provisions, like the ability of beneficiaries to obtain expedited appeals of denied claims in urgent situations. The bill

also allows the Secretary of Health and Human Services to waive the 50-50 rule for managed care plans. This rule traditionally ensured that managed care plans provided quality care to Medicare beneficiaries. It is not certain that other, more comprehensive, measures of quality will be established before the 50-50 rule is waived. In short, this legislation does not ensure that Medicare's managed care beneficiaries will receive the highest quality of medical care.

In addition, the bill does not allow graduate medical education [GME] and disproportionate share hospital [DSH] payments to go directly to the institutions that train medical residents and take care of Medicare beneficiaries. Instead, these payments will continue to go to managed care companies, middlemen who do not perform these critically important functions, but whom many people believe often fail to pass the full GME and DSH payments on to the hospitals. It is only fair that these payments go to those institutions that incur the costs of GME and DSH. The GME and DSH provisions of this bill desperately need to be changed.

The bill also includes some unwarranted weakening of our medical malpractice laws. The malpractice provisions in the legislation way weaken the ability of our legal system to deter medical malpractice.

Finally, the bill does not include some important protections against waste, fraud and abuse in the Medicare program that were offered by the Democrats on the House Ways and Means Committee when this bill was marked up. It has been estimated that waste, fraud and abuse cost the Medicare program about \$23 billion last year alone. The Republican majority refused to incorporate several provisions that would have helped the Medicare program to avoid rampant waste, fraud and abuse. This bill should be changed to include those provisions.

I am also opposed to several of the Medicaid provisions contained in this legislation. Specifically, I am very concerned that the level of disproportionate share hospital payments that go to hospitals who treat large numbers of the poor will render these facilities unable to continue providing services to this vulnerable population.

Further, I am opposed to repeal of the Boren amendment, which requires states to pay hospitals and nursing homes a reasonable and adequate rate for treating and taking care of Medicaid recipients. It is only fair that health care institutions charged with caring for Medicaid recipients be assured that they receive adequate compensation for doing so. I believe that repeal of the Boren amendment could have disastrous consequences for many hospitals and nursing homes that care for the poor.

Mr. Speaker, these are the main reasons that I have decided to oppose this legislation. I urge my colleagues to work with me to produce a reconciliation bill that we can all support—one that provides for the neediest, most vulnerable members of our society in a fiscally responsible fashion