cannot afford to pay it, or taking a prescription home and not being able to take all of the pills that they need to take in a given day and not being able to renew that prescription because of their inability to afford it.

I am convinced that, at the end of the day, Republicans and Democrats will join together on this, we will negotiate a bill with the President and it will mark the point in our history, the history of Medicare, of which we all can be proud.

Mr. Speaker, I yield to the gentleman from Kentucky (Mr. FLETCHER). I am glad to have him here to join. He has been a real leader in this issue, as well, and I am glad to have his participation.

Mr. FLETCHER. Mr. Speaker, we just came from a meeting, but I did want to get in at the few minutes left and certainly participate. We have got 1 minute remaining it looks like.

First of all, I think it is very important and I am very encouraged by this plan. I think it is essential. Health care without prescription drugs in this modern age is really not health care.

I give my colleagues an illustration. In assisted living, I was visiting with some seniors who talked about a gentleman living there. For the first half of the month, he was a perfect gentleman. The last half of the month, he was a tyrant in the place. The problem was he could only afford the first half of the month's prescription drugs.

We see a number of seniors like this. So I think it is very important we put $40 million aside versus the President's $28 billion over the 5 years. His does not start for 3 years. We are toward the target at making sure it is affordable, available, and optional. So I think it is an outstanding plan that targets those that really need it and it is essential.

Again, health care without prescription drugs is really not health care in this day and age with the way prevention and chronic disease management has become the major portion of health care versus acute care, which we had back when Medicare was first developed.

So I wanted to come and just certainly say I think, hopefully, we can get good bipartisan support. We did in a bill that I filed back last year, we got bipartisan support, which is very similar in concept. So I am very encouraged by this and look forward to us being able to get something done. There are a number of seniors out there that need this and it is going to be very important for their health and future.

Mr. GREENWOOD. Mr. Speaker, the gentleman from Kentucky (Mr. FLETCHER) is one of the few physicians in America who has chosen to leave his practice behind temporarily and come to serve in Congress. His leadership is greatly appreciated.

□

PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore (Mr. THUNE). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I intend tonight with some of my Democratic colleagues to also take up the issue of prescription drug benefit under Medicare.

I must say that I was pleased to hear that my Republican colleagues on the other side of the aisle were concerned about the issue. I certainly do not doubt their sincerity in raising the issue, but I am very concerned about the proposal that the Republican leadership has put forward and I express that concern because I do not believe that it will actually do anything to provide a prescription drug benefit to most American seniors.

I say that with heavy heart because I really believe that this is one of the most important issues that we need to address in this Congress, and I believe that we will not get a prescription drug benefit unless we get it on a bipartisan basis. And so, we do need to have Republicans and Democrats work together.

But it is also important to point out distinctions and to make it clear that the Republican leadership proposal that has been set forth really does not do anything to help most senior citizens and in fact is just, in my opinion, a way to show concern in an election year to give the impression that somehow this issue is going to be addressed in an effective way when it will not if the Republican plan were to be adopted.

Let me just summarize, if I could before I yield to my colleague, some of the problems with the Republican plan.

First of all, it will leave millions of seniors uncovered. Their proposal would do nothing to assist more than half of all Medicare beneficiaries who currently lack prescription drug coverage because it provides assistance only to beneficiaries with annual incomes of under $12,600. Seniors with modest incomes above $12,600 would receive absolutely nothing under the Republican plan.

The benefit will fail to be an affordable option even if it is available. And if enacted, the Republican proposal would mark the first time in the program's history that Medicare would not provide coverage for all American seniors.

Now, I say that because, basically, what they are proposing is a private insurance plan, not a Medicare benefit. Every time that we have expanded Medicare to provide more coverage, it has been a benefit that has been available to everyone under Medicare either as a guarantee or as a voluntary benefit that they can opt into by paying a premium, as they do right now under part B for their doctor's care, for example.

Well, all of a sudden we have a proposal which really is not Medicare at all but is, basically, saying that the Federal Government will subsidize for low-income people a private drug insurance plan. We do not believe that those plans will ever be available.

So one of my chief criticisms is that this is not really a Medicare benefit at all, this is not really Medicare at all, this is simply a private insurance plan which even most of the insurance companies say will simply not be available for most seniors.

Also, even for those seniors who would be perhaps able to take advantage of what the Republicans are proposing, it does not even guarantee, if you will, the coverage for many of those who have an absolute need. The Republican plan relies on these private insurers to voluntarily offer a drug only benefit.

In testimony before the Congress, even the insurance industry itself had expressed skepticism about the effectiveness of this approach.

The other thing is, one of the key issues that has come up in the context of the prescription drug issue and that the Democrats, particularly my colleague the gentleman from Maine (Mr. ALLEN) has pointed out, is the need for access to lower prices.

Price discrimination is a major issue here. What happens is that the seniors that are in an HMO or have access to some larger plan maybe through the Government, like the veterans' plan or whatever, they are getting lower prices. The senior who goes out and tries to buy the prescription drug on their own, they are charged a lot more.

Well, there is nothing in the Republican proposal that would provide access for the average senior citizen to discounts on prescription drugs that these larger plans, the people in the HMOs and the people in the veterans' plan, obtain.

I mean, one of the advantages that we have with our Democratic plan is that we try to address that issue of price discrimination and make it so that everyone who is in the Medicare program would have the benefit of those same types of discounts.

Also, and this is the last thing I want to say on the issue of why this Republican plan really is nothing that is going to help the average senior, it is not really funded.

Earlier this year the Republicans promised that they would commit $40 billion for a prescription drug benefit. Their own budget resolution dedicated as little as $20 billion to pay for this weak and limited plan that would leave so many seniors without coverage.

Moreover, the lack of their willingness to release 10-year numbers on their prescription drug proposal raises serious concerns that their tax policy consumes virtually all revenue necessary to adequately fund a drug benefit in the future.

My point is the Republicans continue to advocate a huge tax cut that primarily benefits corporations and wealthy individuals. They do not leave any money left for this type of Medicare prescription drug plan that would

actually help most Americans. They do not have the money to accomplish that because of the tax cuts that they have proposed.

Well, I do not want to just keep harping on what they are doing. I would like to talk a little bit about what the Democrats have in mind.

But before I do that, I would like to yield to the gentlewoman from Michigan (Ms. STABENOW) who has been such a leader on this issue.

Ms. STABENOW. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) very much for all of his efforts. He is tireless in his efforts coming to the floor of the House not only on the important issue of prescription drug coverage and lowering the cost for seniors but the Patients' Bill of Rights and some other important issues for health care. So I appreciate his leadership on all of these important health care issues.

As my colleagues know, I have been involved in the great State of Michigan in an effort that I have called the prescription drug failure fairness campaign, where we have put together a hotline for people to call and share their stories.

I have encouraged people to send me copies of their high prescription drug bills so I can bring them to the floor. And I am continually coming down and sharing stories. I started on April 12 of this year bringing letters down to the floor. I am down again. And I am going to continue to share stories of people in Michigan until we can get this right and until we can pass a plan that really does the job.

As my colleague indicates, the plan, unfortunately, that is being proposed on the other side of the aisle I believe takes us back to where we were before Medicare. Before Medicare, half the seniors in the country could not find health care insurance or could not afford it. So to say that we are going to rely on that same kind of system for prescription drugs just does not make any sense.

Medicare needs to be modernized. It is simple. Everybody understands it. It covers the way health care was provided back in 1965 when it was set up in the hospital, operations, prescriptions in the hospital.

As we know, most care is provided now on an outpatient basis in the home and with prescription drugs. And so, it is critical. I believe it is the number one quality-of-life issue for older Americans today is to address the issue of the high prescription drug costs and to modernize Medicare.

I want to first commend Newsweek this week, who has a feature story called ''The Real Drug War.'' They talk about this problem and what is happening. I urge my colleagues to have a chance to take a look at this article. They do mention what a number of us are doing, the fact that I did take a bus trip to Canada with a number of the seniors that are from Michigan. We lowered the costs by 53 percent just crossing a bridge. Just crossing a bridge from Detroit to Windsor, we lowered the cost 53 percent.

I also want to commend Newsweek, who is doing live talk. They are the hosting a live talk on the Internet tomorrow at noon. So for anyone listening who would like to participate and share their story at noon tomorrow, Eastern Daylight Time, they can log on to Newsweek.com.

□ 1800

I am anxious to see what people are sharing through that mechanism.

I think it is important to recognize that in the last 20 years we have seen a huge increase in the cost of prescription drugs. The price increases from 1981 to 1999 have gone up 306 percent, while at the same time the Consumer Price Index has gone up by about 96 percent. So, in other words, the costs of medications have tripled, have gone up 3 times as much as the cost of living for everything else, which is a critical issue.

As the gentleman mentioned also, the second piece is price discrimination. If one has insurance, if they are in an HMO, then they have somebody fighting for them to go out and negotiate a group discount. If they are a senior or if they are a woman who has breast cancer, and we have done a study in my district on women with breast cancer and the kinds of drugs they need to use and the costs, or if one is a child, any family member who walks into the drugstore without insurance, they are out of luck. They pay whatever the market will bear; and unfortunately, the market today for the uninsured is at least twice, if not three or four times, higher than someone with insurance.

We can start with Medicare. Medicare can fight for the seniors of this country if Medicare coverage is put into place so they can negotiate a group discount, just like every other insurance carrier.

I would like this evening to share a letter from Mrs. Johnnie Arnold from Decatur, Michigan. I am so grateful for Mrs. Arnold's letter, and I wanted to share it. It is like so many letters that we have all received. She says, ''Dear Congresswoman STABENOW, I am writing about my prescription drugs. I am 76 years old and get $280 a month drawing from my husband's Social Security. He is a notch baby,'' which is another problem, ''and only gets $661 a month.''

So that is $941 a month that they receive.

''Our supplemental insurance costs us $281.34 a month. We are having a struggle for my drugs I need. I have had open heart surgery and complete thyroid removal for a cancer. I have high blood pressure and I have had aorta aneurysm surgery. I am in a wheelchair part-time and have been turned down three times for SSI now. My Vasolin high blood pressure medication is $65 for a month's supply. My Claritin is $80 for a month's supply. My other medications are an additional $85.26, and I have additional medications, not counting the Claritin, that come to $150.26. I do not buy the Claritin every month because when you add up all of my drugs after my supplemental insurance payment, I cannot afford them.

''Lasix used to be $6.27. Now it is $18.25. It takes all my husband's Social Security to pay utilities, insurance and his supplemental insurance.''

So it takes all of his Social Security to pay utilities, insurance and his supplemental insurance. That is two-thirds of their income.

''Help us, if you can. Mrs. Johnnie Arnold.''

We need to pay attention to this. We need to have a sense of urgency. Mr. and Mrs. Arnold are every month literally trying to decide do we buy our food now, do we afford this medication, that medication, do we pay the electric bill, how do we survive and remain at home and keep our health and benefit from the medications that are currently available today?

I think Newsweek is right. That is the real drug war. This is the drug war we are fighting right now, the drug war to lower the prices of prescription drugs for everyone; and for seniors who use the majority of medications this is life or death for too many people, and it is a situation that we can correct. Instead of putting up those kinds of programs that just sound good on the surface but do not do anything, to do what I know the gentleman from New Jersey (Mr. PALLONE) is going to talk about tonight, what he is going to talk about in terms of the plan that we are supporting that really does something, now is the time to do it. We have economic good times. If we do not do it now, when do we do it? If we do not get it right now, we never will.

Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) very much for allowing me to participate in this important discussion.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman from Michigan (Ms. STABENOW) for her remarks. I appreciate the comments she made, first of all, to give us an actual example of the constituents that write to us and the problems that they face because this is a real story. This is not abstract. This is a reality that people face every day in our district.

Ms. STABENOW. Right.

Mr. PALLONE. Also because I know the gentlewoman has always been a leader on addressing and having people contact us through the Internet. She really, more than anybody else, brought to my attention the value of reaching out through that vehicle, and I think it is so important. So I thank her again.

Mr. Speaker, I wanted to follow up on what the gentlewoman from Michigan (Ms. STABENOW) said, though, also in terms of a report that recently came out. The Democrats, of course, for some time and the President ever since

his State of the Union address this year, and even before that, has kept watch and constantly talked about how we have to address this problem because of the costs to seniors, and a new report recently came out by Families USA. Families USA has been highlighting the problem of price discrimination for some time, but this report just came out within the last week or so from Families USA. It is entitled, ''Still Rising: Drug Price Increases for Seniors 1999 to 2000.'' So they are just talking about the last year or so.

Once again, this report demonstrates that failure to provide a voluntary, affordable and accessible Medicare prescription drug benefit, which is what the Democrats would like to see, that this imposes, this failure imposes a continuing and growing burden on middle-class, older Americans and people with disabilities. The President released this report just a few days ago, and I just wanted to present, if I could, Mr. Speaker, some of the key findings of this Families USA report.

First, it showed that on average the price for the 50 drugs most commonly used by seniors increased at nearly twice the rate of inflation during 1999, last year. On average, the prices of these drugs reportedly increased by 3.9 percent from January 1999 to January 2000 versus 2.2 percent for general inflation.

Second item or second major point in this Families USA report is that over the past 6 years the prices of the prescription drugs most commonly used by seniors also increased by twice the rate of inflation. The report finds that the price of the 50 prescription drugs most commonly used by older Americans increased by 30.5 percent since 1994, again twice the rate of inflation.

Another point in the report is that more than half of the most commonly used drugs that were on the market for the entire 6-year period had price increases that were double the rate of inflation.

In addition, the Families USA report concludes that more than 20 percent of these prescription drugs increased in price by 3 times the rate of inflation over that same time period.

Fourthly, the report shows that seniors with common chronic illnesses are often forced to spend well over 10 percent of their income on prescription drugs.

Lastly, in terms of the key findings of this report, it shows that the findings are consistent with the conclusions of studies conducted by the Department of Health and Human Services showing that the price differential for older and disabled Americans with and without coverage has nearly doubled.

So, again, I am giving the statistics; and the gentlewoman from Michigan (Ms. STABENOW) gave us an example with her letter of a family of seniors that face the rising cost problem and what it means for them. What it means essentially is that they go without certain drugs, that doctors prescribe certain prescription drugs that they cannot take advantage of and they simply go without or in other cases they may simply buy the prescription drugs and go without food or have other basic necessities that they cut back on. It should not be that way.

The promise of the Medicare program when it was set forth was that seniors at least, as a group of Americans, would not have to worry about coverage for health care and that they would be provided with coverage.

Of course, when Medicare was founded back in the 1960s, prescription drug needs were not as significant as they are today. They have grown significantly in those 30 or 35 years or so that they are now a crucial factor in terms of preventive care. Without the preventive care that comes from prescription drugs, we have seniors getting sick, having to be hospitalized, having to go into a nursing home or ultimately leading shorter lives. It is just not right. That is not what we are supposed to be about as Americans.

Because my colleagues on the Republican side did precede us and essentially tried to tout what they are doing with regard to prescription drugs, I need to, I feel, focus again on the limitations of the Republican leadership proposal. Again, I am not saying that all Republicans are bad or that they are not well intentioned, but the problem is that the leadership proposal really does not help most Medicare beneficiaries.

This leadership proposal, in my opinion, was developed more for those who sell drugs than those who need them. The Republican leadership essentially provided no details of the premium for the policy, what the basic benefit would cover or how much it would cost the Medicare program. That is probably because it really is not part of the Medicare program, effectively.

The details that are in the Republican leadership's outline, which is consistent with proposals supported by the pharmaceutical industry, raise a lot of serious concerns, and I just wanted to mention three.

First, covering prescription drugs through drug-only private insurance plans rather than Medicare, even though insurers have raised doubts about their willingness to offer such policies, the Republican leadership assumes that these drug-only insurance policies are going to be available, and the insurance companies are telling us that they are not going to be available.

Second, limiting premium assistance for basic benefits to beneficiaries with income up to 150 percent of poverty, again I mentioned before $12,600 for a single individual, $17,000 for a couple. Well, this leaves out millions of uninsured and underinsured seniors. Medicare was promised on the idea that it would be available to everyone. Why are we now talking about a prescription drug plan that is only going to cover certain individuals? This should be universal. It should be a basic benefit under Medicare that one can voluntarily opt into if one wants to.

Thirdly, again, a major shortcoming of the Republican leadership proposal is encouraging private plans to participate by having the Government bear most of the risk of covering sick beneficiaries. What is really being done is giving the insurance companies a lot of money without guaranteeing them that they are actually going to come up with coverage.

There are so many reasons why this essentially reneges on any kind of commitment for a meaningful prescription drug benefit. Again, just to talk about the funding, before I introduce another one of my colleagues, the Republican budget chairmen have acknowledged that their budget resolution uses only half, $20 billion, of its Medicare reserve for prescription drugs. This is insufficient to finance a meaningful, affordable, accessible drug benefit for all beneficiaries.

Again, they have not explained how they are going to spell out their 10-year funding commitment for prescription drugs. Again, I think that is because essentially most of the money that they are setting aside in the budget is for tax cuts, primarily for wealthy individuals. There will not be enough money left over for a prescription drug benefit program.

The main thing that I keep stressing, and I will continue to stress, is that what the Republican leadership has come up with is not really a Medicare benefit. It is simply a way of suggesting that somehow someone is going to be able to go out and buy some kind of private insurance that will cover prescription drugs, and there is absolutely no reason to believe that that is going to work. It really has nothing to do with the traditional Medicare program that most seniors are used to seeing and used to having as a guaranteed benefit.

Let me, if I can, now begin by talking about the Democrats and what the Democratic proposal is that we have set forth as a party here in the House. I would just briefly mention the principles that the Democrats have put forward as part of their Medicare prescription drug proposal; and then I will yield to my colleague, the gentleman from Texas (Mr. GREEN), who I see is here.

□ 1815

We have said, first of all, that any Medicare drug benefit has to be voluntary. In other words, beneficiaries can elect prescription drug coverage under a new Medicare program. However you describe it, it would be part of Medicare. You can voluntarily opt into it, for example like you do now with Part B for your doctor's care.

There would be universal coverage accessible to all. It has to be for all individuals, all seniors, not just for low-income seniors. The benefits should be designed to give all beneficiaries meaningful defined coverage. That means

that you know beginning at a certain date that you are going to have a certain coverage up to a certain dollar amount. What percentage you are going to have, what percentage your copay is, all this is defined.

Next, you have to have catastrophic protection. At some point there has to be a guarantee that above a certain dollar amount or a certain level of out-of-pocket expenditures, that there would be some catastrophic protection, and that coverage would be complete, that you would not have to pay out any more money above a certain amount.

Also as a principle, access to medically necessary drugs, it would guarantee access to all medically necessary drugs, and the benefit will be affordable to all beneficiaries, the taxpayers, with extra help for low-income beneficiaries. Obviously, if we are going to provide a Medicare prescription drug benefit, it has to be a premium that you opt into that is affordable. For those who cannot afford to pay that premium, that that premium is provided and paid for by the government, very similar to what we have now with Part B coverage.

Lastly, to address the issue of price discrimination, we have as one of our Democratic principles that the program has to be administered through purchasing mechanisms that maximize Medicare beneficiaries' market power.

Again, I will go back to what my colleague from Michigan said before, and that is that the Medicare beneficiary should be able to access the discounts that are now available for the large purchasers, such as the HMOs, or some other government plans like the veterans' plan.

With that, I now yield to my colleague from Texas (Mr. GREEN), who has again been one of the people who has contributed the most to this debate and to putting together these principles that we as Democrats believe have to be basic to any Medicare prescription drug program.

Mr. GREEN of Texas. Mr. Speaker, I thank my colleague from New Jersey for, one, requesting this special order. It seems like we have been doing this for a good while on the prescription medication problems seniors have, but not only seniors, but everyone in our country, but particularly seniors, because of the limited income.

I know dozens of Democratic Members participated last week on April 26th all around the country, I forget if it was 60 Members talked to seniors, had different events in their district on the problems with prescription drugs, and we did one in Houston that we found, in fact this was our third time to do a study of prescription drugs in Houston, this time compared to what the same prescriptions for their pets would be.

Our three other studies showed that seniors pay almost double, in some cases in fact more than double, than what the most preferred purchasers of medications would be, like VA or the local HMOs or something like that. We found that for seniors walking into their local drugstore, whether it is a chain or an individual.

The next study we did in our district, and I think the numbers around the country may vary, but typically you can say seniors pay double the cost.

We are 6½ hours drive from Mexico, and in Houston people can save almost half their prescription costs by going to Mexico. The same thing on the Canadian border. In fact, I know there is a candidate running for the Senate that has bus loads of seniors he takes to Canada from somewhere up in the northern United States. I had a constituent that suggested I do that. I said it is a much longer bus ride to Mexico than it is to Canada.

But the one we released last week showed that some of the same prescriptions that you and I and seniors may take are also prescribed for pets. Again, oftentimes seniors, humans, pay double what the same prescription is for the pet for the same disease.

We met at the Magnolia Multipurpose Center, we have a great senior citizen community there, actually it is a multipurpose center paid by community block grant money years ago, and we found that seniors might want to start taking out prescriptions in their pet's names instead of their own. It would save them hundreds, maybe even thousands of dollars a year.

I want to thank the Committee on Government Reform Democratic staff who conducted this study, not only in my district, but all over the country, and all three of the studies, and particularly this last one, the price differences between humans and animals. That third study the committee conducted on prescription drugs, it found that pharmaceutical companies were taking advantage of older Americans through price discrimination.

What we found out was that the third study showed if you are furry and have four paws, you get a better deal. If you are a grandpa or grandma, you have to pay top dollar for these same drugs. The committee staff found, and again these were five pharmacies in our district that they checked the costs with, that in some cases the average cost was 106 to 151 percent higher than what humans pay. It shows that our Nation's seniors are paying not only more than the preferred providers, that we do, and I see our colleague here from Maine, we are cosponsors of his bill that would allow for seniors to take advantage of that group purchasing like anyone else, that is free enterprise. We get millions of seniors together and we can get better deals for them on the most commonly used drugs.

We found that not only that, but you can go to Mexico or Canada and get cheaper drugs. In fact, you can almost go anywhere in the world and get cheaper pharmaceuticals than in the United States. Now we found that even in the United States, our pets for the same prescriptions, can get it cheaper.

Let me pick out two particular drugs. If you need Lodine, it is a popular arthritis drug, it will cost you $38 if you are a pet for a month's supply, but if you are a human it costs you $109 in Houston, the average price in our pharmacies.

If you need Vasotec, the 14th most prescribed human drug in 1998, you can get a 1 month's supply for $78, but your pet can receive it for $52.

What we had, and we had really a fine looking animal at our prescription drug event, he was a dog that the owner got out of the pound, but he looked like he was part German shepherd and was very good. Lucky was the dog's name. Lucky had asthma, and, as we stand here on the floor tonight, it is tragic that Lucky, even though Lucky is a fine animal and a great pet and was very docile during our press conference, that Lucky gets asthma medicine cheaper than my seniors who were there watching. It is a tragedy. It should not happen in these United States.

That is what is so frustrating. I know that is what is frustrating about what we have been trying to do. We have been talking about this for 2 years now. What we need is some broad coverage. Whether it is a supplement to Medicare, we need current coverage.

But we have made the case that in 1965 and 1966 and 1967 there are certain illnesses today that you can have prescriptions for that back then required to you go to your doctor, and Medicare would have paid that doctor, and will still pay that doctor. But now you can keep from going to that doctor by taking that pill, whether it is blood pressure pill, whether it is heart medication, whether it is cholesterol control, whether it is depression medication, and we have checked all these prescriptions in our district, whether it be going to Mexico, whether it be going to preferred provider, and our seniors pay so much more than any of those cases.

In Houston, when the Houston Chronicle covered it and talked about it, in fact the gentleman from Texas (Mr. BENTSEN) did an event that afternoon in his district, the response to that by the pharmaceutical companies was, well, those drugs are first developed for humans, and that is why they were developed, and then it is maybe a different company we license to sell to pets.

That does not make sense. You are making humans pay for the research cost, and I understand these drugs are not developed for free, they are developed with NIH funding, and hopefully we will continue the increase as we have done for the last few years, but they are developed with private sector dollars. But why should pets not have to pay the same, if they are being benefited, why should not the rest of the people in the world, if these pharmaceuticals are developed with tax dollars from our country, along with private sector dollars, why should the rest of the world not have to pay some of

the costs for the development, particularly our neighbors in Canada and Mexico.

I have to admit, I have bought prescriptions in Latin America. I used this at our press conference, I have allergies. I have had allergies for 25 years, and whether I am in Houston or Austin, Texas, where I served in the legislature, or Washington, I have allergies. I know what will solve my problem. If it is a small infection, I can take amoxicillin. Amoxicillin, by the way, was one of the few drugs we found that the cost for the pet and the human were close. But if I really have a bad allergy infection, I have to take Augmentin, which is a better antibiotic, much more broad coverage, and with Augmentin, the price discrimination was the same.

I have to admit, I have bought Augmentin and amoxicillin in Mexico, Costa Rica and a number of Latin America countries, where you do not have to have a prescription. My daughter, who is in medical school, tells me I should not self-diagnose, but I say no, I have been diagnosed that way for 25 years by doctors, so I know what will cure it. I realize how cheaper the pharmaceuticals are in other countries than in our own country.

Again, that is a tragedy, because as we stand here tonight we know we have seniors who say I cannot take that blood pressure medication as the doctor prescribed because I cannot afford it, so I am only going to take half the prescription now. Or they go in, and I heard it earlier, someone will go in and say, a senior will go in and get the bill for the pharmaceutical and say I cannot afford it, and they will walk out of that drugstore without getting that pharmaceutical filled. That happens to people in our own districts that are not seniors, but it is tragic that it happens to seniors who have paid their dues, who have built this country, who are the greatest generation, as we know, and yet they do not have the access to some of the greatest generation's accomplishments in the last 30 years in pharmaceuticals.

I want to thank the gentleman as the Chair of our Democratic Health Care Task Force and the effort he is doing. I enjoy serving on the task force, but also our Subcommittee on Health and the Committee on Commerce. I would like to have some hearings in our Committee on Commerce on this. That is what we are here for. We can have hearings on prescription drug benefits.

Now I know my Republican colleagues have a plan, and my concern about that plan is that they want us to provide where we could go down and buy health care coverage only for prescriptions. Well, it is kind of like what I heard the example was, it is kind of like health care for seniors, that is why we had to have Medicare. Every senior is going to have to have prescriptions. If you have insurance it works where you spread the risk. But if you do not have people to spread it to with seniors, the pharmaceutical costs, the insurance costs will be so high nobody can afford it.

So that solution is not a solution. It may get them through November, they hope, but it is not a solution. We need to address this issue this year. We need to provide pharmaceuticals at a reasonable cost for seniors. We can use the Tom Allen bill that the gentleman from Maine (Mr. ALLEN) has worked on, and a bill from the gentleman from Texas (Mr. TURNER). I think it was one of the first ones we cosponsored.

We have a plan that the gentleman and I are cosponsoring that is a Medicare addition that would be allowed. I have some questions about how that will be done still, and the broad coverage for it, but we need to address it and we need to address it by having hearings in the Committee on Commerce, having hearings in the Committee on Ways and Means, and saying okay, what can we do to solve this problem, instead of continuing to bury our head in the sand and hopefully the November elections will get here and get past.

I do not think the American people are going to allow that. I hope the seniors will not allow us to do that. We need to address it now and we need to have a bill here on the floor within the next 30 days. We have been signing a discharge petition, and we are still working on getting our magic number of 218. So I do not know how many are on there that are our Republican colleagues, but I can tell you it is probably 10 to 1, maybe 20 to 1, Democratic signatures. We need to have that bill on the floor.

I would like it to go through the process. We have a legislative hearing process. Let us have the hearings and put all the bills there and have testimony on them, and let us have the give and take, so that we have at the end of the day, at the end of this Congressional session, we need to have a prescription drug benefit for senior citizens that is fair, that is cost effective, and it will keep them from having to make those tough decisions on whether they are going to have heating in the winter or air conditioning in the summer in Houston, or whether they are going to take their prescription medication. That is wrong, and we need to address it.

Again, I thank the gentleman for his leadership on this.

Mr. PALLONE. Mr. Speaker, I thank the gentleman. I appreciate the fact that the gentleman and, of course, our other colleague, the gentleman from Maine (Mr. ALLEN), who I will yield to next, because you are from States that border in your case on Mexico and his case on Canada, that you have tonight made your constituents and really the Nation aware of this price discrimination that exists, in this case across the border, and, of course, the gentleman from Maine has been talking about it here in terms of most seniors not having access to these discounts that the larger groups provide.

□ 1830

But I think in particular, if I could say to my colleague from Texas, this contrast between price, between animals, dogs and cats versus people, is really dramatic. It really brings home, I think, what this is all about and how we have seniors suffering when, at the same time, we have to try to buy the drug for one's pet, the cost is less. I have a cat and she is older and I have had to go to the drugstore and buy a prescription for her, and I have to say, I have never really looked to see what the differential was for the same kind of drug. I am going to make it my business to check on it the next time. I am sure I am going to find the same thing would be the case.

So I thank the gentleman again.

Let me yield to the gentleman from Maine, but before doing so, I just have to say that he has really brought the whole issue of price discrimination to our attention. One of the things that I said earlier which I think is so crucial is that we do not see any evidence that the Republican leadership bill will address this issue of price discrimination, and it has to be a part of what we do in the House, and obviously it is part of the democratic principles that we put together as a party on the Democratic side. So I yield to the gentleman.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding. I appreciate the gentleman's leadership in pursuing this issue as long and as hard as he has. One of the things I am reflecting on today is I can no longer count the number of times that the gentleman from Texas, the gentlewoman from Michigan, the gentleman from New Jersey and I, and others on the Democratic side, have been down here pounding away on this issue trying to build enough support around the country and in this House to get some action.

I think back to the first study that was done in my district in Maine in July of 1998, which showed that seniors, on average, pay twice as much for their medication as the drug companies' best customers, the big hospitals, the HMOs and the Federal Government itself, through Medicaid or through the VA. We have been back over and over again. Most recently, on April 26, a number of us did another study, held events around the country, because we know that the only way we can break through the clutter of all the other news and all of the things that Americans have going on in their lives to get this message home is to do coordinated events and try to get the message home.

What I did in Maine was take another look at this problem of price discrimination. What I did was to do a breast cancer study, to look at the 5 drugs that are most commonly prescribed in Maine to deal with women, to help women who have breast cancer. We have done the

study that shows seniors pay twice as much as the drug companies' best customers; we have done the study that shows that Mainers pay 72 percent more than Canadians and 102 percent more than Mexicans for the same drug in the same quantity from the same manufacturer, and we did the animal study that the gentleman from Texas (Mr. GREEN) was referring to which shows that when drugs are sold to pharmacies for human use, the charge is 151 percent more than when the same drug is sold to veterinarians for animal use.

Why is this? Well, basically, it is simple. The pharmaceutical industry charges what the market will bear. They squeeze as much as they can out of the people that they are selling prescription drugs to, and the people in the largest health care plan in the country, which is called Medicare, those people, 37 percent of whom have no coverage for their prescription drugs, they pay the highest prices in the world.

So in short, basically, it is very simple: the most profitable industry in the country charges the highest prices in the world to Americans who can least afford to pay those prices, including many of our seniors; also, as the breast cancer study showed, including women who have breast cancer. What we found is that those women who do not have health insurance for their medication pay 102 percent to 106 percent more than the drug companies' best customers for those breast cancer medications.

For example, Tamoxifen, the most frequently prescribed breast cancer medication, costs uninsured Maine women 53 to 72 percent more than the drug companies' best customers. That comes to between $1,800 and $2,500 more each year. Bristol-Myers Squibb charges its favored customers $39.60 for a 1-month supply of its hormone therapy medication, Megase. The same 1-month supply costs an uninsured Maine woman $174.28. That is a 340 percent markup. It is also an additional $1,600 each year that she will have to pay out of her own pocket.

In 1960, 1 in 14 American women were at risk of developing breast cancer. Today, that same number is 1 in 8 American women. Breast cancer is the most common form of cancer for American women. In 1997, the National Breast Cancer Coalition estimated that 2.6 million American women were living with breast cancer: 1.6 million who had been diagnosed and 1 million who did not know they have the disease.

Now, what we found is that uninsured Maine women who do not have coverage for their breast cancer medication are basically facing a pharmaceutical industry which has enormous, enormous power. Our friend and colleague, the gentleman from Vermont (Mr. SANDERS) has found that a month's supply of Tamoxifen that costs an uninsured Maine woman between $88.50 a month and $99.50 a month can be purchased in Canada for $12.80. This is a national scandal, and it needs to end.

Now, we are going to enter into a period here where we have a debate over competing health care plans. But basically, there is a fundamental difference between what we Democrats are proposing and what the Republicans are proposing.

What we are saying is simple. We have to drive down the cost of prescription drugs for seniors who simply cannot afford to pay for their medication. There is no reason why Medicare should not do what United and Aetna and Cigna and the Blue Cross plans do. They negotiate, they negotiate lower prescription drug prices for their beneficiaries. Why should Medicare not do the same? That is basically what my legislation does, the Prescription Drug Fairness for Seniors Act. But a discount is not enough. We also need a benefit. A benefit under Medicare that will help people pay for their prescription drugs, because this will not help people who still cannot afford the high cost of their medication. So we need both approaches.

What we have seen from the Republican side is basically this: proposals that first protect the profits of the industry, and only second, try to help America's seniors. Why do I say that? The Republican plans emerging from the other body and, also here, basically involve a subsidy to seniors to buy private health insurance for prescription drugs.

Well, there are two problems with that. There is no way to hold down costs if we are going to rely on private prescription drug insurance. They are not able to do it internationally, and they are not going to be able to do it here.

But there is a second more fundamental problem. The Health Insurance Association of America has made it very clear that the industry will not provide stand-alone prescription drug insurance for seniors. Why? Because in the words of the executive director, it is like providing insurance for haircuts. Everybody is a claimant.

We have to have some pressure on price. Someone has to sit across the table from the pharmaceutical industry and negotiate lower prices. A plan that does not do that is a plan that is not going to make drugs affordable both for seniors and for the taxpayer. I mean, let us face it. If we are going to spend money, Federal money for a benefit, we want to make sure we are getting a good deal for the taxpayer. That is what Democrats are standing for, and that is not what would happen under the Republican proposals.

Let us step back and look at this other problem. If the private health insurance industry is not going to provide stand-alone prescription drug coverage, what are we talking about? What we are talking about is an illusion, cover, a program that is never going to take effect in the real world. That is not what seniors need. Seniors need help; they need it now.

Mr. Speaker, spending on prescription drugs goes up 15 to 18 percent every year. If you think this problem is bad today, it is going to be much worse in just one year. And so we need to enact legislation this year that provides a discount, that provides a benefit, that allows the Federal Government to negotiate lower prices, to make sure we have some control over some pressure on price of the pharmaceutical industry.

If we do not do that, basically we will have one of those proposals that in the real world will not work, that is designed to help the pharmaceutical industry before it really helps seniors. And I think it is the wrong way to go.

Clearly, the Democrats, the folks on this side of the aisle, believe that as well.

Mr. Speaker, I notice our friend and colleague, the gentleman from Arkansas (Mr. BERRY), has come here; and I can say no one in this caucus has done more for the cause of reducing prescription drug prices for seniors than the gentleman from Arkansas, and I just want this chance to thank him for that.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague, the gentleman from Maine (Mr. ALLEN). And one of the things that you stress, and I think it is so important, because we did have our Republican colleagues on the other side precede us this evening, and what they said sounded wonderful, and I am convinced, of course, that they are well-intentioned, but the bottom line is that the Republican leadership proposal is illusionary. It is not going to really help the average senior citizen. That kind of hoax, if you will, even if it is not intentional, I do not believe that it is, is not fair.

They are crying out for relief. They need attention. They are having problems buying prescription drugs, and they tell us about it every day. This is real. We just cannot stay here in the Congress, in the well here and say that we are going to do something when we are not, or certainly something that is not going to be meaningful for them, because this is such an important issue.

I did want to yield to my colleague, the gentleman from Arkansas (Mr. BERRY). He also is one of the cochairs of our Health Care Task Force; and we, of course, have put forth this statement of Democratic principles about what we think a prescription drug plan should consist of, and he has been tremendously helpful in putting that together as we proceed to try to get legislation passed in this Congress over the next few months while we are still here. I yield to gentleman.

Mr. BERRY. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from New Jersey, (Mr. PALLONE) for his leadership in all health care matters, Patients' Bill of Rights, prescription drugs, all other health care issues that we have dealt with since I have been in the United States Congress. He has done a great job and I appreciate him; and I also say that to my colleagues,

the gentleman from Maine (Mr. ALLEN), who has also provided great leadership on this prescription drug issue, along with the gentleman from Texas (Mr. TURNER).

Mr. Speaker, I am on the floor this evening, because, quite simply, the prescription drug manufacturers in this country are ripping off the American people, and even worse, they are ripping off the senior citizens of this country. It is absolutely unbelievable that, as a Congress, we allow this to go on day after day after day.

In the district that I am fortunate enough to represent, I never stop and visit anyone that this issue does not come up, that we do not have to talk about the fact that we have senior citizens that have to make a decision on a daily basis whether or not to buy something to eat or to buy their medicine. This is a situation that we cannot allow to go on.

Mr. Speaker, I come from a small town. If we had someone in that small town going door to door, stealing from senior citizens, taking the money out of their pocket, throwing them into such economic circumstances that they were not able to buy food or stay alive because they did not have the money to buy their medicine, we would go find that person, and we would lock them up, I hope; but at the very least we would stop it from happening.

Yet we are allowing the prescription drug manufacturers in this country to continue to go into our citizens' homes on a daily basis and create this situation, and they are doing it legally.

Americans are just simply overcharged for these products, and it is not right. The taxpayers of this country pay for the research and development, most of it that takes place through grants, through tax credits, through various other mechanisms that we make possible. These same companies have the lowest taxes on their profits of any companies in the country.

Americans pay for this research that the whole world benefits from; and yet we are charged two to three times as much for these products as any other nation in the world. It is just simply not fair, and it is time the Congress does something about it.

When you have something that is this unfair, it is the job of the United States Congress to step in and do something about it.

Mr. Speaker, I beg my colleagues this evening to recognize this problem and do the right thing. We have just seen in the last few months a great uproar in this country over whether or not a young man from Cuba would be sent back to be with his father, whether he would stay Here.

□ 1845

We are all concerned about that situation. That situation pales in comparison to the hardship that our senior citizens are put in every day because of prescription drug companies in this country are charging them far more than they charge anyone else in the world, and they just simply cannot afford it. And we, as a Nation, cannot afford it anymore. Mr. Speaker, I beg my colleagues to take this opportunity to do something about it.

Mr. PALLONE. Mr. Speaker, I thank the gentleman, and I think that he really brings home this whole issue of price discrimination and that is really what goes on and the heart of what our constituents' concerns are. They say it to us every day.

We had 2 weeks back in the district the last 2 weeks, and I just heard it so many times over and over again. And I do not think it matters where we are, Arkansas, New Jersey. Wherever we are, we just hear so many seniors that tell us that the costs are just too exorbitant, that they cannot pay them.

Mr. Speaker, I thank the gentleman for all his help in helping us put together the Democratic principles in the plan that we have been developing.

Mr. Speaker, I know that I do not have a lot of time left; but I wanted to, if I could in the time that I do have, to basically outline what the Democratic position is.

Democrats believe that in order to develop a meaningful Medicare prescription drug benefit, two crucial characteristics of the prescription drug marketplace for seniors have to be recognized.

The first is that the high cost of prescription drugs is not a problem exclusive to low-income seniors. Millions of middle-class seniors are feeling the effects of excessive prescription drug costs as well.

And the second is the price discrimination that seniors without health insurance are subject to when purchasing pharmaceuticals. I think tonight my colleagues outlined the problems with the costs and the problems that so many seniors are having now in terms of their ability, or their inability, to purchase medicine or prescription drugs.

But the bottom line is that a Medicare drug benefit should be offered to every Medicare beneficiary, and it should be voluntary and affordable. Seniors who have coverage they like should be able to keep that coverage. Seniors who have no coverage at all, or inadequate coverage, should be able to get the coverage they need. Low-income seniors should receive subsidies for the cost of benefits, including complete subsidies for those with the least ability to pay.

In addition, Democrats say that the coverage should consist of a meaningful, defined benefits package, including guaranteed access to medically necessary drugs. It must provide so-called catastrophic coverage for seniors with excessive drug costs, and it must be administered through a purchasing mechanism that maximizes the purchasing power of Medicare beneficiaries. By doing so, the program can reduce the costs of drugs to seniors and make the benefit affordable to the taxpayers.

Finally, Mr. Speaker, I will say there is broad support for what I have outlined and what my colleagues have outlined tonight amongst Democrats in the House of Representatives and in the Senate. All of these criteria about what this prescription drug benefit should include have been incorporated into the Medicare drug benefit plan that President Clinton has proposed.

But Democrats are not in the majority in either House of the Congress. We need the support of Republicans on a bipartisan basis if we are to succeed. I heard my colleagues on the other side of the aisle say that they want to provide a meaningful benefit. And my goal really, and the goal of us collectively, is to convince the Republican leadership to buy into these same principles that the Democrats have put forward so that we can provide seniors with the care they need to live out their golden years with the dignity that they deserve. I do not want any more of my constituents coming up to me at any point and saying that they have to make a choice between drugs and food or drugs and other necessary services.

□

CONGRESS MUST CAREFULLY WEIGH TAX CUT PROPOSALS

The SPEAKER pro tempore (Mr. REYNOLDS). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes.

Mr. GANSKE. Mr. Speaker, times could hardly be better. We are in the longest business expansion in our Nation's history. The economy is booming. Companies are reporting solid profits. Orders for durable goods were up 2.6 percent in March, and the Commerce Department has reported first quarter GDP grew by 5.9 percent. Mr. Speaker, that is after growth in GDP at 7 percent the previous quarter.

Unemployment is at record lows. Welfare rolls are down 50 percent or more around the country, thanks to work requirements and job training and the welfare reform bill that Congress passed a few years ago, and, yes, also thanks to a very strong economy.

Last year, Congress paid down more than $130 billion in national privately held debt. And we did not use the Social Security Trust Fund to fund our appropriations.

Part of the economic boom is due to the consumer perception that Congress, despite all our battles with the President, has kept spending down. At the same time, the increased government revenues have allowed for significant increases in funding for education, health care research, and law enforcement. And despite a rash of rampage shootings at workplaces and schools, about which I will talk more in a little bit, better law enforcement has led to lower crime, including violent crimes like armed burglary.

But the good economy helps keep crime down too, if only because having