So hopefully with these seven key principles as our guiding light and our guiding force, we can turn things around and not talk about one more program or one more billion dollars or one more this or one more that. Quality, quality, quality; results not process.

Mr. EHLERS. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. EHLERS. Mr. Speaker, I just want to follow up with a postscript to that very fine statement. During the recent presidential campaign, I have become very annoyed reading in the papers time after time that George Bush has latched on to education; that it has never been a Republican issue, it is always a Democratic issue; he has latched on to it in trying to win. That is just utter nonsense.

Look at the gentleman's record here in the Congress and what he has accomplished in his career here, and look at what the committee has done the last few years with the Republicans in charge of it. It has done so much better when we look at the funding and recognize that the Republicans have provided more funding from the Federal Government than the Democrats have during the time we have been in charge here. If we want to find out who is really for education and who has really done a better job and not just thrown money at it but required things such as accountability and quality, if we look at who has really contributed to the improvement of education in this country it is the Republicans. I hope the news media wakes up to that and stops saying George Bush is just doing this to win the election. That is the nonsense.

Look at what he did in Texas. The Democrats ran that State for many years; and George Bush came along. In the short time that he has been there, he has raised the scores, especially of minority students, more than they have been raised in many years under Democratic control. So I just wanted to add that.

I hate to be that partisan about it but that is the facts and we have to set the news media straight on it. We have to set the record straight, make sure people understand we are committed to education. We are committed to doing it right, but we are going to do it right. We are going to be accountable. We are going to have quality. We are going to have results. We are not just going to hand out money and say, here, do what you like.

Mr. GOODLING. Well, I latched on to GW; he did not latch on to me. And I latched on to him primarily because of his ability to lead a Democrat house and a Democrat senate in the State of Texas to bring about the best education reform probably anywhere. I was just reading over the weekend that Oklahoma is crying the blues because they lost teacher after teacher, Kansas did and several other States, because they are going where there are higher salaries and where there is a better opportunity, and, of course, one of the places they were going was Texas because with his leadership and his house and his senate they raised those teacher salaries but demanded excellence and quality at the same time.

So, again, here are seven key principles. We think that they have been the important principles to move us ahead and to make sure that no child is left behind.

PRESCRIPTION DRUGS FOR ALL

The SPEAKER pro tempore (Mr. HULSHOF). 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, this evening, as I have so many times, I would like to talk about the need for a Medicare prescription drug program. I have to say that I will be partisan this evening. I know some of my Democratic colleagues will be joining me, because I believe very strongly that the only reason that we do not have a Medicare prescription drug plan is because of the opposition of the Republican leadership.

I have to say that I have been very disturbed to see that the Republican presidential candidate, George W. Bush, Governor Bush, has now come up with a proposal to deal with the problem that seniors face with prescription drugs, but it is really no different than the same plan that we have been hearing over and over again by the Republican leadership in this House that does not provide a prescription drug benefit under Medicare but rather simply tries to provide some sort of government subsidy, primarily for low-income people, that I believe will never succeed because essentially it is not practical. It is not under the rubric of Medicare because the Republicans traditionally and now have opposed Medicare and do not want to see it expanded to include a prescription drug benefit.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Texas.

Mr. DOGGETT. In short, we have been there and done that in this House, have not we? We have already had a vote on that very proposal which was really a plan not to help the seniors of this country but to help the insurance companies to reach out and touch someone, but in this case it was to touch and subsidize insurance companies and assist them but to leave out the vast majority of what we might call the working-class or middle-class seniors that worked to build this into the greatest country in the world, but they just have been left out of the Republican plan. Is not that correct?

Mr. PALLONE. Absolutely. And the thing that disturbs me most about it, and I know that the gentleman is very knowledgeable about this, is that the fact of the matter is that every time the Republicans have come up with a proposal to deal with the prescription drug issue it has always been defensive. In the case of the House of Representatives, because the Democrats were out there with our proposal to bring prescription drugs under the rubric of Medicare and we had a proposal out there that was a very good one, and they tried to avoid it by coming up with this plan that essentially did not help anybody.

Mr. DOGGETT. Is not it true, in fact, that what they did was to have a focus group or they got some high-powered, expensive political consultant to tell them what going by any meeting of the American Association of Retired Persons or retired teachers or many of our retired veterans could have told them for free, and that is that the Republicans are perceived here in the House and around the country as having done absolutely nothing to help seniors when it comes to the outrageous price of prescription drugs? They have sat on their hands. They have been here in charge now for right at 6 years, and they have done absolutely nothing. So after they got that input from this high-powered consultant, it only took a few days and then they were out in our Committee on Ways and Means with a proposal to subsidize insurance companies and make it appear that they were finally getting around to doing something.

Mr. PALLONE. The irony of it is that the insurance companies testified before your Committee on Ways and Means and before my Committee on Commerce and said that they would not sell the policies. They were not interested in it.

Mr. DOGGETT. I believe that their famous comment on that of one of the insurance folks was that it would be like insurance for haircuts being proposed.

Mr. PALLONE. Exactly.

Mr. DOGGETT. And even though they were going to get a general subsidy, they did not know whether they could ever provide the policies.

□ 2030

I believe though Texas, unfortunately, has been way behind on doing anything to assist our seniors, there have been some States that have tried this approach that the Republicans have advanced, and what has been their experience?

Mr. PALLONE. Well, Mr. Speaker, we have the perfect example in Nevada which, I believe around March or so of this year, passed a plan that is almost exactly the same as what the Republicans in the House proposed. The insurance industry told the Nevada legislature it was not going to work and there was not a single insurance company that wanted to sell a policy that would meet the specifications of what the Nevada legislature passed. So it has been a total failure in Nevada.

Basically, what the House Republicans are saying is that they want to adopt a State example that has failed.

Mr. TURNER. Mr. Speaker, if the gentleman will yield, I think one of the central issues that distinguishes the Democratic plan for prescription drugs for seniors and the Republican plan is that the Republican plan does not tell the senior citizens what they are going to get in terms of coverage, it does not tell them how much it is going to cost, and it certainly does not tell them how long the coverage is going to be there.

I had the experience in my district just recently going around talking about the issue of prescription drug coverage for seniors under Medicare, and I was met by seniors who were quite upset. They had signed up for this Medicare+Choice plan that is sponsored by the HMOs that a lot of my seniors were lured into because the HMO option for traditional Medicare said, well, we will offer you a little prescription drug coverage.

So all of my seniors that needed prescription drug coverage were very interested in those plans. A whole lot of them signed up. Now, we have 5,000 seniors in my district alone who have received notices that their HMO Medicare+Choice plan is being canceled as of December 31.

So I think the history of HMO coverage for Medicare is very clear. We cannot depend on it. We do not know if it is really going to be there. Over 200,000 seniors they tell me across this country have gotten similar notices that as of December 31, they will no longer have their Medicare+Choice plan in effect, and as I said, most of them signed up because it offered them some kind of little prescription drug coverage.

So what we know about the Republican approach is that the seniors today, when they look at that plan, they do not know what they are going to get, they do not know how much it is going to cost, and they do not know how long it will be there for them.

The Democratic plan, on the other hand, is a plan that offers seniors the drugs they need from the pharmacist that they trust. Our plan covers all drugs; our plan tells the seniors exactly what it is going to cost. If they want to sign up, keep in mind, the Democratic plan under Medicare is optional. If a senior says I do not want this coverage, they do not have to sign up. But when they sign up, they know that initially it will cost $25 a month; those costs are projected to increase as the coverage increases up to about 40 some odd dollars and it will cover one-half of the first $5,000 in prescription drug costs. Over that, it will cover all of it.

We know that low-income seniors will be able to have that premium paid for by the government. But that plan is a very clear plan that gives seniors a defined benefit at a cost that is understandable with coverage that they understand.

So I say the Republican HMO plan simply offers confusion and uncertainty to seniors, and that is a big difference. Because one thing I have learned the older I get, what we look for is security, and the Democratic prescription drug plan offers security for seniors, and the Republican plan does not.

So I think that when it comes right down to looking at the two plans, we clearly have the plan that seniors are going to choose. I think if we do that, we will be doing the right thing for our seniors. We will have a plan that is workable, one that seniors understand, and one they can count on. After all, Medicare, since 1965, has been a plan that seniors can count on. All of these other private insurance plans like our Republican colleagues advocate, they are here today, they are gone tomorrow. Only Medicare has been there for seniors since it was first put into law in 1965, signed by, I might say to the gentleman from Texas (Mr. DOGGETT), a great President, Lyndon Johnson from Texas.

So I think we need to stay on that course and make sure that we take care of the security that our seniors need.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. Certainly.

Mr. DOGGETT. Since the name of the great Lone Star State has been invoked here, I have to tell my colleagues about an experience that I had, and my colleague may have made the same kind of inquiry in New Jersey, about what was happening to seniors in the capital of the Lone Star State of Texas.

Now, we have pretty high regard, particularly in some parts of the State, I know over in East Texas where my colleague is from, for our dogs. There some people have dogs that are pet dogs and then there are other people that have bird dogs and some have hunting dogs and they think pretty highly of them, but it seems to me that we ought not to think so highly of them that if the dog got arthritis, the dog could get the prescription drugs cheaper than one of our retirees, one of our retired teachers or a senior who had a small business in the community and had given back to the community through the years.

Mr. Speaker, I found when I did a study on arthritis medicine, for example, there in Austin, Texas, the capital of the Lone Star State, that it was going to cost almost, it was 150, almost 200 percent more for the very same type of medication that could be given to a dog or given to a senior, and there was that kind of price discrimination. If all we do is just subsidize insurance companies with all of the uncertainty that my colleague from Texas has talked about, there is nothing to keep the seniors from getting treated literally worse than dogs in Texas and I expect in some other parts of the country. They still are going to be gouged; they are still going to have higher and higher co-pays, even if some insurance company will write the policy.

So I am really concerned that this Republican plan will leave our seniors around Texas and undoubtedly around the country literally being treated worse than dogs when it comes to the price that they have to pay for their prescription drugs.

Mr. TURNER. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I certainly will.

Mr. TURNER. Mr. Speaker, I think the point the gentleman made is one that we need to have the people of this country understand, because in Texas, if one can go across to Mexico, and a lot of folks do, they buy their prescription drugs at about half the price that they pay in Texas. As the gentleman pointed out, one can go to the veterinarian to take care of their dogs and pay less for their medicine than they can get at their local pharmacy.

The truth of the matter is, the most vulnerable people in our society today are paying the highest prices for prescription drugs of anyone, and that is just not right.

I think that is another benefit of our Democratic plan for prescription drugs, because we put the power, the buying power of the senior citizens of this country together to be able to bargain with the big pharmaceutical companies. And when the buying power of all of our seniors are united rather than divided as they are today; right now, a senior citizen without prescription drug coverage is on their own when they walk into the local pharmacist. I have talked to many a one of them who tell me they went up there, they turned in their prescription, they came back a few hours later to pick it up and they had to say, no, I am sorry, I cannot afford that medicine.

So we are going to put, under the Democratic plan, the buying power of all of the seniors in this country together so that they will have the necessary clout to be able to bargain with those pharmaceutical giants for fairness in prices. If we do that, I suspect we will not have to talk about, as we have done for about 2 years here on the floor of this House, about the problem of price discrimination between the price of drugs in Mexico and Canada and anywhere else in the world, and what our seniors in this country are having to pay.

Mr. PALLONE. Mr. Speaker, reclaiming my time, let me tell my colleagues that the gentleman's example with the dog is certainly true in New Jersey. I actually have a cat; it is actually my wife's cat that I inherited, and she had, I guess it was a thyroid problem, and in New Jersey, I guess one can get the prescription drugs at the veterinarian or one can get it from the local pharmacy. So I had to refill the prescription and I went to the local pharmacy to purchase the medicine for our cat. I was told by the pharmacist that the same drug would be twice as much if it

was for a human. So there is absolutely no question that we have a huge discrepancy between a cat and a senior citizen or a dog.

The other thing that is so interesting and I think so really sad is that when Governor Bush proposed his prescription drug plan and was asked by one of the reporters on the day when it was proposed, because I have the article here, The New York Times that was from September 6 of this year, he actually was critical of the Democratic plan, because of the negotiation power that the gentleman from Texas (Mr. TURNER) talked about. He said it was like price control. It is just ridiculous. That is not what it is.

The Democrats are not establishing price controls; they are simply saying that we want the government, it is not even the government, but in different regions of the country that a benefit provider would be set up, basically a group that would be able to go out and purchase the medication at a cheaper price because they represent so many people and they have the buying power to negotiate a better price, just like the HMOs do now or some other large employers do now. And Governor Bush, when he was asked about that, and I will just give my colleagues the quote from the New York Times here. He said that much like the drug industry, he criticized Mr. Gore's plan as a step towards price control. ''By making government agents the largest purchaser of prescription drugs in America,'' he said, ''by making Washington the Nation's pharmacist, the Gore plan puts us well on the way to price control for drugs.''

Well, why should not a regional provider be able to go out and negotiate a better price for all of these seniors? Why should they have to pay twice the price? It does not make any sense.

I could not believe that he actually had the nerve to criticize the very provision in our bill that would reduce the price in a competitive way, sort of the American way, competition. You negotiate a better price.

Mr. TURNER. Mr. Speaker, if the gentleman will yield, I think we all understand that the free market system is not working today for our senior citizens. Every country in the world has some kind of price control over prescription drugs, because they understand that the big drug manufacturers with their patent protections have a monopoly. So they have accepted the fact that we cannot have a free market if those who are providing the prescription drugs have a monopoly.

Now, we have always tried, and I think rightly so, to preserve the free market, and all we are doing here is asking to allow our seniors to be able to have their position at the bargaining table as a group. We already do that for our veterans in this country. They get lower prices, those who go and get their prescription medicines through the VA, because we have that kind of arrangement for our veterans. All we are trying to do is expand it to be sure our senior citizens have the same deal.

As I say, we have to make a choice in this debate. There is no question in my mind that there is a fundamental choice here. One either has to take on the pharmaceutical industry, or one has to stand to protect them, because the only impediment, the only barrier to passing a prescription drug benefit under traditional Medicare is the opposition of the pharmaceutical industry.

And if we do not take on the pharmaceutical industry, if we side with them, if we try to protect their bottom line, then we are going to have a hard time supporting a plan that is going to bring prices down for our seniors and make prescription drugs affordable for them. I just think in a country where we have granted patent protection to our pharmaceutical manufacturers to encourage them to invest in research, to come up with a lot of new and wonderful medicines, that the least the pharmaceutical industry owes back to the American people is fairness in pricing.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. Surely.

Mr. DOGGETT. Mr. Speaker, I think that is just such a critical point. The pharmaceutical industry has been masquerading under something called Citizens for Better Medicare. It sounded like from the news report that the gentleman from New Jersey read that the Republican candidate had been watching too many of their ads. Because they put out ads under the pretense of being for better Medicare, but the truth is that their group is really ''Citizens for Leaving Us Alone to Let Us Charge Whatever We Want to Charge.''

My colleague from Texas referenced the fact that some people along the borders of America are going south or they are going north to go right across the boundary and get prescription drugs at significantly less cost, because they are sold at less cost in Mexico and in Canada. Some of those prescription drugs are made right here in the United States, and they are made and sold by our manufacturers in the pharmaceutical industry for less in Mexico and Canada than they are sold to our seniors here. They give them maybe as good a deal in Mexico or Canada as they will give a dog here in the United States. And to be sure, the prices that our uninsured seniors are having to pay are the highest I think in the entire world.

My colleague referred to the experience of some of the other countries around the world, but I do not believe anyone gets gouged as much as a senior in Texas or New Jersey or any other part of this country, and unless we come to grips with that problem and bring in the negotiating power so that it is not one retired police officer, or one retired nurse or teacher who is out there trying to take on these pharmaceutical giants that can afford to spend hundreds of thousands of dollars in campaign contributions, millions of dollars in lobby expenses, millions of dollars in these television ads, giving misinformation to everyone, we pit one senior against those pharmaceutical giants, they do not have a prayer.

□ 2045

The only hope we have through this Democratic plan is to come in and add a little balance in the system so it can be evened out a bit.

Mr. PALLONE. The reason why the prices are so much more here is exactly based on what our colleague from Texas said, and that is that since there are price controls and negotiating power for citizens in other countries, the only place left on the planet where there are not the price controls and the negotiating power is here in the United States. So the drug companies make up the difference here. They cannot make the money in these other countries, so they jack up their prices here to make up for the fact they cannot do it abroad. So that is just unfair to the average American.

Mr. TURNER. It is amazing to me how hard the pharmaceutical industry is fighting to preserve the status quo. The gentleman from Texas (Mr. DOGGETT) mentioned Citizens for Better Medicare. The first time I ran into that group I thought this must be a group of seniors trying to improve Medicare.

We got to looking into it, and we found out just what the gentleman from Texas (Mr. DOGGETT) said, and that is it is an arm of the pharmaceutical industry. In fact, studies showed in the first 6 months of this year, the so-called Citizens for Better Medicare spent $65 million in advertising to try to persuade the Congress and the American people to preserve the status quo. They ran TV ads with a character on it, a lady named Flo, and she began to talk about how she did not want government in her medicine chest.

Then we had letters mailed out to our seniors. I had a gentleman in Wal-Mart, a friend of mine, I have known him for years, John Perkins, walked up to me in the parking lot and said, ''Here Jim, I have got a letter that said to write you, and now that I have caught you, it will save me writing a letter.''

I said, ''Well, fine, John, what do you have?''

He said, ''Well, here is this letter.''

It kind of looked like a telegram. And down at the bottom it said Citizens for Better Medicare.

I read it. I said, ''John, this letter is telling you to write me and tell me to vote against the very bill that I am sponsoring, trying to help our seniors have some prescription drug coverage.''

He said, ''Oh, just forget about the letter.''

Well, all of those direct-mail pieces, all of that television advertisement, they even ran ads in our major newspapers, full-page adds. I think the one

they ran in the Washington Post cost something like $80,000 or $85,000 for one ad for one day. It is just amazing to me how much money the pharmaceutical industry is pouring in to try to defeat our efforts to provide a meaningful prescription drug benefit under the Medicare program.

They have got a lot to protect, I know that. They are the most profitable industry in the country today. I read that they spent $148.5 million on lobbying expenses in the last Congress. The top drug manufacturers, the top 12, paid their executives $545.5 million in salaries last year, and $2.1 billion in stock options last year to those same executives. They are a very profitable industry.

As the gentleman well pointed out, the truth is every other country in the world provides prescription drugs for their seniors at about half, on average, the price that our seniors in this country pay. That has just got to stop. I think it is our responsibility. When the free market system has broken down, when it is not working, and particularly when it is not working for the most vulnerable people in our society, this Congress has a responsibility to do something about it. I think our plan is the right plan to provide some security for our seniors.

Mr. PALLONE. Let me just mention another aspect of this that I think is important, and that is that what Governor Bush is now saying is, well, maybe we cannot cover all the seniors; but, if we cannot, then at least let us try to cover the low-income seniors, because the bottom line is that he does not have a Medicare plan.

I mean, what he has proposed and what the Republican leadership proposed here is not Medicare. I would argue that it ultimately would lead to the destruction and dismantling of Medicare. The reason for that, and the issue I want to bring up, is the fact that now the Republicans are saying, okay, we will at least try to help the low-income people and see if we can provide them with a prescription drug benefit. Because if you look at the Bush plan, there are about 25 million seniors under Medicare that would get absolutely no help and have no option for prescription drug benefits because two-thirds of seniors have income above the 175 percent poverty level. In other words, under the Bush plan, as a single individual you would have to be making less than $14,600 a year. Otherwise, you would not get any subsidy whatsoever.

The problem that I have with just targeting the low-income seniors is that it breaks the whole principle that Lyndon Johnson put forward with Medicare. When President Johnson established Medicare, the idea was you were going to get Medicare, regardless of income. It was primarily to benefit middle-income people, of course. But everyone received the Medicare benefit, regardless of income.

I am very fearful of the fact if you say okay, let us just deal with the low-income and let us not deal with the average senior, that you set a very bad precedent, because you suggest that somehow Medicare perhaps should be almost like welfare, just for low-income people. If you start that precedent, you could see that for other aspects of Medicare as well.

I should also hasten to point out that only a fraction of low-income seniors would get any coverage either, because basically what Governor Bush does is he says this is going to primarily be administered through the States. It would be up to the States to establish a prescription drug program for low-income seniors.

We know that the record is very unclear about States. Some States have some prescription drug programs. Most do not. Those that do have it for low-income people tend to have only coverage for certain aspects.

Mr. DOGGETT. If the gentleman would yield on that, first I think is the very, very important point you made about welfare. When President Johnson was leading that struggle 30 years ago, these same Republican voices were being raised in this room, maybe not the same individuals, but the same philosophy; and they said just extend the welfare program and take care of those most in need.

They were opposed to Medicare. In fact, you remember it was only a short while ago that Bob Dole was bragging about how he was one of a few people to stand up and oppose Medicare and Speaker Newt Gingrich was in this very room, and he was boasting of the need to let Medicare wither on the vine. They do not really believe in Medicare, and this is a way to start the concept that we just need a welfare plan for those most in need.

I think Medicare and Social Security have been two of the best programs this Congress has ever devised under Democratic leadership, over Republican opposition, and over continued Republican efforts to undermine those programs. I believe if we go with a welfare program for prescription drugs, that is really what the focus will be.

The second very important point the gentleman makes is just turning this over to the States is not a very good answer. Texas could have done this, but Texas has not, unfortunately, met the needs of its seniors on prescription drugs. It has not done anything. And when Texas had the opportunity after Democratic leadership in promoting the children's health insurance program to provide health insurance to meet the needs of children in our State, and we have in Texas more uninsured children than any State in the country, I think, except possibly one, we are right at the top, and we, unfortunately, at the State level, there were delays, no effort was made to expedite the program; and Texas has foregone hundreds of millions of dollars that could have helped get children there with insurance for prescriptions and other things.

With that kind of example, it does not inspire confidence that seniors who want help now would be able to get that help, even the few poor seniors who would be covered under this Republican scheme, that they would get help in a timely manner to meet their needs.

Mr. PALLONE. If I could use an example on the opposite side of the country in my home State of New Jersey, we have a program for certain low-income seniors to provide prescription drugs. It is financed through our casino revenue fund from Atlantic City casinos. I had numerous senior forums throughout the August recess. My district, a lot of the towns I represent, I would say they are very middle income, not necessarily poor, not necessarily rich; and I remember particularly one day being at the Neptune Senior Center, which is a town which is very diverse, poor people, wealthy people, and mostly middle-class people. There were probably 100 seniors in the room.

There were maybe five or six that were covered by a prescription drug program under Medicaid, and they were complaining about how they could not get certain prescription drugs because they were not listed under Medicaid; and there were maybe another 10 or 15 out of the 100 covered under the State prescription drug program, financed with casino revenue funds, and they were fairly happy with their program. But there were collectively, between the Medicaid and the state-funded program, out of the 100 people, I doubt there were more than 20 that were receiving any coverage. The other 80 people in the room had no prescription drug coverage.

This is not a problem that is faced primarily by low-income people. This is a problem that everyone faces. It is primarily middle-income people that are complaining to me now and saying, look, I cannot afford the drugs; I do not have the benefit.

Mr. TURNER. If the gentleman will yield further, I think the point the gentleman made really goes to the heart of it. Whether or not you need some help in being able to pay for prescription drugs just does not depend upon your income; it depends on how sick you are. That is one of the beautiful things about our Medicare program that was established in 1965; everybody over 65 is eligible. I think it has been a program that has received broad public support because it is available to every senior.

If we go to a system where we try to take care of prescription drugs by putting together another welfare program, all we are going to do is send money out to the States. They will struggle trying to figure out how to put a program together, and I do not think they can do it nearly as quickly as we could put a prescription drug benefit under Medicare, and it would turn out to be wholly inadequate; and it will turn out to be different all across the country.

One of the other fundamental issues that one has to come to grips with in

this debate is whether or not you believe that as a senior citizen you should have the same benefit and the same coverage under Medicare, no matter where you live in this country. I can tell you, representing a rural district in east Texas where those 5,000 seniors just got notices a few weeks ago that their Medicare-plus Choice plans are going to be canceled, I can tell you that those seniors are no longer going to have any help with prescription drugs, because you could not count on those HMOs that came in there and offered those plans and are now turning and running away from them; and those seniors I think are all going to probably go back into regular Medicare. They have no other choice. But at least under regular Medicare we know that we get the same benefit no matter where you are in this country.

I think when we look at the Republican proposal of trying to rely on the States to set up welfare programs for low-income seniors, what we are going to find is that where you live will depend on what kind of benefits are provided for you, and there will be nothing for those middle-income seniors that are the ones I am hearing from too in my district who are struggling trying to pay those ever-increasing prices of prescription drugs.

So I think that traditional Medicare, if we believe in it, if we think it is important for every senior, no matter where they live in this country, to have the same coverage and the same protection and the same benefits, then I think we need to add a prescription drug benefit to traditional Medicare. That is our plan, and I think it is the only plan that provides seniors with the security that they need.

Under our plan, keep in mind, you do not have to go order it by mail. You can go to your local pharmacist, and you do not have to determine whether your insurance company has it listed on the formula, because under our plan you will get the medicine that your doctor prescribes at your local pharmacy.

That is the kind of security that the seniors need. They need to know what it is going to cost, they need to know what they are getting, and they need to know it is going to be there for them without any question. That is the Democratic plan, and I think it is the best plan for our seniors.

□ 2100

Mr. PALLONE. Mr. Speaker, I would also point out, because I know that the Republicans keep talking about choice and sort of give the impression that the problem with what the Democrats are proposing is that it is one-size-fits all, in other words, it is under the rubric of Medicare and, therefore, it is going to be national and somehow it is bad because it is national and it is one-size-fits all. Nothing could be further from the truth.

I would argue that the way the Democrats have set up this plan under Medicare, they have more choice, real choice than they have under the Republican plan. And I will say why. First of all, just like Medicare in general, this is voluntary. If they do not want to sign up for what would be Part D and pay the premium of so much a month the way my colleague described and the way the Democrats have put it forward, they do not have to do it.

But, more importantly, if they could have the Democratic plan in effect, those who are in HMOs, those who are in employer retirement plans where they are getting a prescription drug benefit can keep those plans and the Federal Government would be helping them and helping those plans to continue to provide the prescription drug coverage. Let me explain why.

Let us say that I am in an HMO and I would like to keep the HMO. Well, the reason why so many of the HMOs are now dropping seniors is because they cannot afford to cover the seniors or in many cases provide the prescription drug benefit. Well, under the Democratic plan, the HMOs will get the money to provide the prescription drug benefit, they will actually be paid by the Federal Government to provide the benefit because it is a basic benefit that everyone is entitled to under Medicare.

So, if anything, there should be more choices available. I would suggest that both in New Jersey and Texas we will see more HMOs willing to provide a prescription drug benefit and cover seniors than we have now because now they will be getting reimbursed for most of the cost of the prescription drug benefit plan. So if they want to keep their HMO and they like an HMO, they are probably more likely to keep it under the Democratic proposal.

The same thing with employer-based plans. Some people may not want to opt for the traditional Medicare coverage, which would include the prescription drug benefit, because maybe they, through their retirement, get prescription drugs as part of their employer-based health care plan. Well, we would reimburse that, as well, and they could keep their employer-based plan.

So all we are saying is that everyone gets the benefit and the Federal Government will provide the money to pay for the benefit regardless of what program they are in, whether it is their veterans or their employer-based plan or their HMO. But there is always going to be the guarantee, the floor, that if any of those fail and they do not have the option of any of those things they can get it through their traditional Medicare plan.

Mr. TURNER. Mr. Speaker, that sounds like a good competitive program, because they have got traditional Medicare there to keep the private HMO industry honest.

What would happen to us if we did not have traditional Medicare in my rural east Texas district today? With all of those HMOs pulling out, with 15 of my 19 counties having no Medicare+Choice HMO option, my seniors would be left with nothing if they did not have traditional Medicare.

I submit to my colleagues, there are those in this House who do not like traditional Medicare for one reason or another. But the truth is, if we are going to have a system of health care for seniors, if we are going to keep the HMOs honest in terms of what they offer and the prices they are demanding to offer it, we need to keep traditional Medicare in place.

I will also submit to my colleagues, if we are unable to provide a prescription drug benefit under traditional Medicare, those who advocate getting rid of traditional Medicare will carry the day. Because when faced with the choice of choosing a private HMO plan with prescription drug coverage and a Medicare plan without it, many of our seniors will be forced to exercise the choice of choosing the private HMO plan.

So it is essential for those who really believe in privatizing Medicare and turning it over to the insurance companies, they had better think a little bit. Because if they ever expect it to work, they had better keep a viable traditional Medicare program in place as the safety net to ensure that every senior will always have the option of having coverage for their health care and their prescription drugs.

Mr. DOGGETT. Mr. Speaker, that is so very vital. We have talked about the fact that too many of our seniors are forced to choose between groceries and prescriptions and to make very challenging decisions. For some it is literally a matter of life and death.

I had a woman from Austin, Texas, write me recently about an experience that is really of great concern to her family. She says that her brother recently underwent a kidney transplant and he is about to turn 65, at which time he will be forced to go on Medicare and give up the insurance that he previously has had. But he is now going to have to have these anti-rejection drugs after having had the transplant, and she expresses the concern that they just do not know where they will find the money because the cost of these anti-rejection drugs is really prohibitive, they cannot get any coverage on Medicare and at this point, though they are not wealthy people, they do not qualify for any kind of welfare program. And these kind of folks I gather would just be excluded from the insurance subsidy plan that the Republicans are advancing.

Mr. PALLONE. Mr. Speaker, I think that is what our colleague the gentleman from Texas (Mr. TURNER) was pointing out, which is that even though the Republicans may argue, well, let us just do this for low-income people, what they are forgetting is that middle-income people, depending on their circumstances as such, they could be completely wiped out with the cost of these drugs. So the notion that somehow this is not something we have

to do just for the average person is nonsense because they could be wiped out in a minute because of the cost of these drugs.

I also say that what we are finding today is that a lot of the more expensive drugs the HMOs or some of the insurance companies characterize as not medically necessary, in other words, they will say this is experimental or this is something that is not exactly approved at this point, and it is those very things that are very expensive that end up not being covered.

When we say in our Medicare prescription drug plan that they are going to have access to whatever is medically necessary, we put that language in there because we want to make clear that if their physician or the pharmacist says that this is medically necessary, it will be covered.

I know that my colleague, the gentleman from Texas (Mr. TURNER), has made a big point of that that one of the problems with the Republican plans is that not only is it primarily for low-income people but they never know exactly what they are going to get. And it is very easy to exclude things under the rubric of saying they are not medically necessary or they are experimental or those kinds of things, which is why it is important to establish in the plan what kind of drugs they are going to get and to make it clear.

Mr. TURNER. Mr. Speaker, I had a similar experience to the gentleman from Texas (Mr. DOGGETT). I talked to a lady in August during my tour of the district when I was going around to 40 communities talking about this very issue, and she came up to me and she said that her HMO had just canceled her and she wanted to know from me what I could do to help her.

It would almost bring tears to your eyes. She was a kidney transplant patient. From January until August, her prescription bills totaled $17,000. That had been covered by her HMO. As of December 31, she has no coverage, like 5,000 other seniors in my district.

Now, most of my seniors I talk to have prescription drug bills of $300, $400, $500. Many of them are paying their entire Social Security check just to cover their prescription drugs. This lady has $17,000 just from January through August.

I could not tell her what she was going to do. I had no answer for her. I told her about what we are fighting for in Congress, why we believe that we need a prescription drug benefit under traditional Medicare.

I talked to a fellow at a bank down in Liberty County. He told me that he and his wife spend $1,400 a month on prescription drugs. Now, I did not have the heart to ask him how long could he keep doing that.

But these stories are real stories from real people who have real problems. And I think that the reason we come here week after week talking about this problem is because we want to try to provide some help for those seniors who need it. And the way to do it is through the Democratic plan where we can provide seniors with a clear plan with a defined benefit, we can tell them what they are going to get, that is, they are going to get the prescription their doctor prescribes from the pharmacist they trust. We can tell them what the premium is and if they elect to take the coverage, how much it will cost. We can also tell them that under traditional Medicare the plan is here and it is going to be guaranteed by the United States Government and by the people who believe in traditional Medicare, not a plan that relies on the private insurance company that, by necessity we all understand, has to make a profit and, if they find out they are not making a profit, as apparently many of them did in my district, and decide to cancel their coverage for 5,000 seniors, then they are gone.

That is not the kind of security seniors in this country deserve.

Mr. PALLONE. Mr. Speaker, one of the reasons and I think both examples highlight it in my mind, one of the reasons why the Republican proposals just do not work is because they are too selective. In other words, originally when we started this evening we talked about how the Republican leadership proposes a bill that basically says we will give them some money and they go out and buy private insurance company and the insurance company says, we are not going to sell it. The reason they are not going to sell it is because they cannot make any money.

In other words, for most people, particularly seniors, probably 80 or 90 percent of them are using prescription drugs. It is a benefit. It is not a risk. It is not sold. In other words, if they are an insurance salesman or insurance company, they are not going to cover all these people that use the benefit because they cannot make any money.

I think we are also seeing the other phenomena, which is that the people that will go and try to sign up for the HMO are the people that really need the prescription drug coverage and they will tend to be the people that have the higher prescription drug bills and so the HMOs cannot even afford to provide it.

So what we are saying as Democrats is let us create this huge pool with all the people, everyone, every senior under Medicare. That create a huge pool. Some people use some drugs. Others use a lot. And by having this huge pool, the cost for everyone on the average becomes a lot less, they do not have the selective situation where people are trying to buy insurance or go into an HMO because they have high business. That is why it does not work.

I do not know if I am making it totally clear, but the beauty part of the Democratic proposal is that, by putting everybody in this big essential insurance pool, it is not as expensive and it is more realistic to cover them as opposed to what we are getting now with this selective insurance.

Mr. DOGGETT. Mr. Speaker, when we hear the story like the one that was just recounted, a person who is going to be facing $17,000 in bills with no remedy, we have to ask, well, why is this Congress not out here working on it tonight.

It was a little over a year ago that I offered in the House Committee on Ways and Means with our colleague the gentlewoman from Florida (Mrs. THURMAN) a proposal to deal with this price discrimination problem that would not have set up any government bureaucracy. In fact, that aspect of it would not have entailed any substantial cost.

Every Republican member of our committee voted against that proposal. And we have advanced it again this year. Every one of them voted against it again. Only after their public relations firm told them they had a problem did they come up with the plan the Republican presidential candidate is advancing.

The presidential elections I know are capturing most of the attention, but there is no good reason why the Congress should not be acting now. The gentleman from Illinois (Mr. HASTERT) could put this back on the agenda. It could be put on the agenda in the Senate and present the next President of the United States with a plan that was already in place that could be implemented. This Democratic plan that we have been talking about tonight, it could go into effect now.

I just mention to my colleagues the reaction that I think probably a lot of people have across this country that was embodied in another communication that I got from a constituent that lives out on Oakwood Drive in Austin. It begins: ''Shame on you pharmaceutical companies. Where is the compassion for human life? Have you just gotten so absorbed into making big profits that you can just say, we don't care if you don't have the money, roll over and die, see if we care?''

And this person does not face the $17,000 problem. She says, ''When you have a heart problem and you need three kinds of medication every day and just one prescription costs $120 each month, something is wrong. When these pharmaceutical companies have luxurious jets that transport candidates to the convention as shown on the news, then something is very wrong, especially when needed medications have these kind of exorbitant prices.''

Well, I think we are here again tonight because something is very wrong and that wrong is the failure of this Congress to respond to these needs, a failure that is extended over a number of years and was just papered over with this insurance subsidy plan that does not meet the need of these kind of folks that are out there tonight facing these tough decisions.

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Mr. PALLONE. It is such a cruel hoax, too, because as both of you have

pointed out, this is a real problem. We are getting real people coming up to us on a regular basis saying that they are suffering. How cruel it is really for the Republican leadership in this House to say, well, we are going to solve their problem by throwing a few bucks at the insurance industry when the insurance industry is telling us that they are not going to provide the benefits, anyway.

I just wondered if I could for a minute go back to this article in the New York Times that talked about what had happened in Nevada. Nevada as I said in March of this year passed a piece of legislation that was very similar to what the House Republicans had proposed in terms of providing subsidies to seniors if they could go out and buy an insurance policy that covered prescription drugs. It has been a total failure. This is a reference here in the article. This is from July 8, New York Times, of this year. It quotes Barbara Buckley, a State assemblywoman who is cochair of a task force that monitors this potential program. She says that the task force refused to authorize the release of any money until it could see the details of a drug program that met the eligibility criteria in terms of premiums, deductibles, copayment, and benefit limits. Most of those details would be decided by the successful bidder.

The problem was that no insurance company wanted to offer a program that met the standards that the legislature set in terms of specifying what the premium would be, what the copayment would be, what drugs would be proposed. It says in the article, asked why insurers did not show any interest, a retired Navy captain, a Mr. Fend, who serves on this task force, said, probably because they did not think they could make any money. If they thought they could make a reasonable amount of money, they would probably buy into the program and bid on it.

The bottom line is, it is just a hoax. The Republicans here have talked about a prescription drug program that will not work. It is really awful to think that they know it will not work, it has not worked in a State where it was proposed, yet they keep bringing it forth as if somehow they are trying to address the problem when they are not.

Mr. TURNER. The Medicare program probably never would have been passed in 1965 if the private insurance industry could have taken care of the health care needs of our seniors. That is why we passed Medicare, is because private insurance would not work. I had a letter from a lady who had been in an insurance business 19 years. In fact, I have it here with me. It was a letter that was actually handed to me at a town meeting I had in Shelby County in my district. The lady asked me if I would read this letter on the way to my next stop.

This lady writes very eloquently to say she had been in the insurance business 19 years and her letter calls for us to provide a prescription drug benefit under Medicare for our seniors. She tells the story about her mother who died last November at the age of 87. As she was going through her mother's papers, she knew, of course, her mother had been on prescription medicines, I think, for about 20 years, the last 20 years of her life. She was going through all her bills, seeing what she had spent on medicine. She came across a credit card bill that had a balance owed of $6,000, and she was just shocked. She could not believe her mother, as frugal as she was, would have run up a $6,000 credit card bill and not taken care of it.

So she wrote letters to Visa. She found out what were all these charges. It turned out all of them were for prescription medicines. Her mother had been spending about $300 a month on prescription medicines, and her Social Security check just was not enough for her to get by and take care of those medicines. The lady wrote me, she says, I think my mother understood that when she died, her home could be sold and I could pay off that $6,000 Visa bill for her. But she said my mother was a very proud woman.

No senior in this country should have to struggle like that to pay for their prescription medicines. We have seniors who are breaking their pills in half trying to take their medicine and being able to afford it. I have seniors that told me at a meeting that they routinely just take one every other day. A pharmacist was standing there. He said, ''For some medicines, that can be extremely dangerous for you to do that.''

I had seniors come up to me and tell me that they actually have to make a choice every month of whether to buy groceries or to go fill those prescriptions. In a country as prosperous as we are today and as compassionate as we like to say we are, I believe we can do something about the problem of a prescription drug crisis for our senior citizens.

We talk about this big surplus that is going to arrive here over the next 10 years. I hope it does. I am not sure it will, but I hope it does. Some as we know on the other side of the aisle have proposed that we cut taxes to the tune, I believe Governor Bush says, of $1.6 trillion when we only have an estimated, hoped-for $2 trillion budget surplus. But I think if we are as compassionate as we like to say we are that surely we could set aside 10 percent over the next 10 years of that $2 trillion surplus and provide our senior citizens with a meaningful prescription drug benefit.

I know everybody wants tax cuts. I know everybody enjoys getting their taxes lower. But the truth is there is a basic need here that should not be ignored. And I think the vast majority of the American people agree with that. That is why I think on close examination of the Democratic prescription drug plan as compared to the Republican proposal that the overwhelming majority of our seniors and of all Americans would be in favor of a prescription drug benefit under traditional Medicare as the Democrats propose in this country.

Mr. PALLONE. I want to thank the gentleman. I think we are running out of time. The last point the gentleman made is so important. I really believe that one of the reasons why Governor Bush has proposed this scaled-down prescription drug plan that really only addresses some of the problems for low-income people is because he has proposed using so much of the surplus for this grandiose tax cut plan, which primarily benefits the wealthy and corporate interests, and so he does not have enough money left to pay for a Medicare prescription drug program the way the Democrats have proposed. And so that has actually forced him in some ways to propose this more scaled-down version that will only help some low-income people. That is unfortunate, because if we have a surplus, and you and I both I know are worried about these estimates and whether the level of surplus that is being talked about will ever materialize, but there is certainly enough that we could provide the prescription drug program along the lines of what the Democrats have proposed. I would hate to see that not happen just because of Governor Bush's tax proposals and the tax proposals that the Republicans have put forward, which I think really do not help in any significant way the average American.

I just want to say we were here again tonight as Democrats because we believe strongly that this is a major issue that should be addressed in this Congress, that is, providing a prescription drug program under Medicare. We are going to continue to be here every week until this Congress adjourns demanding that this issue be addressed.

NIGHTSIDE CHAT

The SPEAKER pro tempore (Mr. PETERSON of Pennsylvania). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Until the end of Congress, I am going to be here to rebut the gentleman from New Jersey who employs the doctrine of fear. He likes to get up here in front of the microphone and speak to all of you and give these misstatements, misleading statements, inaccurate statements. Less than 5 minutes ago, I just heard the gentleman from New Jersey say, and I quote, The Republican leadership, speaking of the gentleman from Illinois (Mr. HASTERT), the Speaker of the House, the gentleman from Texas (Mr. ARMEY), the majority leader, they used the word ''cruel,'' they throw a few bucks at the insurance companies. And then these Democrats talk about the dream team, about how everybody is