United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, MONDAY, JUNE 24, 2002 No. 85

House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. ISSA).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 24, 2002.

I hereby appoint the Honorable DARRELL E. ISSA to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 2594. An act to authorize the Secretary of the Treasury to purchase silver on the open market when the silver stockpile is depleted, to be used to mint coins.

The message also announced that pursuant to Public Law 105–277, the Chair, on behalf of the Majority Leader, announces the appointment of the following individuals to serve as members of the Parents Advisory Council on Youth Drug Abuse:

Darcy L. Jensen of South Dakota (Representative of Non-Profit Organization), vice Kerrie S. Lansford, term expired.

Dr. Lynn McDonald of Wisconsin, vice Robert L. Maginnis, term expired.

George L. Lozano of California, vice Darcy Jensen, term expired.

Rosanne Ortega of Texas, vice Dr. Lynn McDonald term expired.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. PALLONE) for 5 minutes.

PRESCRIPTION DRUG COVERAGE

Mr. PALLONE. Mr. Speaker, I must say that I am pleased to see that the Republican leadership may bring a prescription drug bill to the floor this week before the July 4 recess, but I am very disappointed with the legislation that they have brought forward; and I can only hope that when they bring the bill to the floor, they will allow a Democratic substitute, Medicare prescription drug bill, which is far superior and will be the only legislation I think that would accomplish the goal of making sure and guaranteeing all seniors have a decent prescription drug benefit. I would ask that the Republican leadership make sure that we be allowed as Democrats to bring up our substitute when this matter goes before the Committee on Rules this week.

I want to talk about two areas that I think are important with regard to this prescription drug initiative. First of all, the Democrats insist that a prescription drug benefit be under Medicare. Medicare has been a very successful program that has worked in terms of providing hospital care and physician care over the last 30 or 40 years, and the only way that we are going to have an effective prescription drug plan is if we use the Medicare model and if we make sure that the prescription drug benefit is guaranteed under Medicare. That assures that every senior has a guaranteed prescription drug benefit, that it is a benefit where they know what the premium is, they know what the deductible is and what the Federal Government is going to provide.

What the Republicans have done in their bill is to ignore Medicare, and they have basically decided to throw some money to private insurance companies in the hope that they will offer a prescription drug plan for seniors, and it will not work. The bottom line is if this bill were to become law, very few, if any, seniors would be able to actually find a private insurance company that would provide them with a prescription drug plan. So it is a hoax. It is not a real prescription drug benefit that is going to be meaningful.

In case anyone questions my motives in saying that, I will simply read from the editorial that was in this Saturday's New York Times. It is a section that says ''House Republicans who regard traditional Medicare as antiquated would provide money to private insurance companies, a big source of GOP campaign donations, to offer prescription drug policies. The idea of relying on private companies seems more ideological than practical. The pool of elderly Americans who will want the insurance is likely to consist of those who have the most need for expensive medicine. Even with Federal subsidies, it is unclear that enough insurance companies would be willing to participate and provide the economies that come from competition.''

The bottom line is under the Republican plan there will not be any insurance policies and there will be nothing for seniors to have and there will not be a prescription drug benefit.

The other major problem with the Republican proposal contrasting with the Democratic proposal is the Republican proposal does not deal with price. The biggest problem facing seniors now is that the cost of prescription drugs

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.

are too high, and the Republicans go out of their way in their proposal to make sure that the price issue is not dealt with at all.

Today, Families USA, which is a great organization that has been dealing with this prescription drug issue, put out a report called ''Bitter Pill, The Rising Prices of Prescription Drugs for Older Americans,'' and the report released today by Families USA basically says that the problem is that prescription drugs cost too much. Thirty-six out of 50 of the drugs most used by seniors rose three or more times the rate of inflation last year. That is simply unacceptable and cannot be justified, in my opinion, by the pharmaceutical companies.

But what does the Republican bill do about price? Absolutely nothing. It actually has a clause in the bill that was put in, I understand, from the Conservative Action Team, Republican, the CATs, that actually says that the administrator of the program cannot interfere in any way in any negotiations to deal with price. It absolutely forbids any kind of pricing structure, absolutely forbids that the administrator of the prescription drug program get involved in any kind of negotiations that would reduce price. That is an outrage. That is because the Republicans are very much in the pocket of the pharmaceutical industry, and they do not want the issue of prices and price reductions effectively dealt with as part of this legislation. That will also doom the Republican legislation.

The Democrats by contrast, because their program is under Medicare, the Democrats mandate the Secretary of Health and Human Services to negotiate to reduce prices for now 30 or 40 million seniors that are part of the Medicare program and will now have a prescription drug benefit. What we are saying is if we put this program under Medicare, then we are guaranteeing that the Secretary of Health and Human Services has a pool of 30 to 40 million seniors that he can negotiate for; and we mandate that he negotiate to reduce price, and he will have the ability to do so. So a hallmark of the Democratic proposal is not only that it is under Medicare and there is a guaranteed benefit wherever one is in the country but also that there is a guarantee that the program will try to reduce cost, reduce price, which is so crucial if the program is going to be successful.

I challenge the Republicans to heed what the Democrats are saying and address the issue of price and put their program under Medicare, which they have refused to do so far.

MEDICARE PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, I would say to the gentleman from New Jersey that the Republican plan is based upon what I have as a Member of Congress and what he has and also what the Senators have and what the President has, which is based upon free enterprise. It is a private sector prescription drug program. The program we as Republicans are providing has the same prototype. I think the contrast he makes is valid, only in that he wants the government to run this program and we want the private sector to run the prescription drug program. We do not want mandates. We do not want price controls. We want just basically the free enterprise to work.

The committee he and I serve on, Energy and Commerce, marked up a bill last week and also the Committee on Ways and Means marked up a bill. Both of these bills have been marked up by the Republican majority. There is much in these bills to applaud. We have addressed shortfalls in payments to hospitals and incorrect formulas in reimbursing physicians. However, most significantly, the bill out of the Commerce Committee contains the long overdue addition of a prescription drug benefit for Medicare. Medicare was designed before innovative and lifesaving medications played such a prominent role in health care. Our seniors and disabled beneficiaries have waited for many years to get this final plan that we are working on and hopefully will vote on this week.

One point I would like to raise is that while expansion of health care coverage, including a prescription drug benefit, is a goal for all of us here in the House, opinions obviously differ between myself and the gentleman from New Jersey on how to achieve it. Simply expanding and automatically funding government programs is not necessarily the most desirable route to take. I see in the CQ Daily Monitor today that one of our Democrat colleagues reasons that an $800 billion plan delivered by the government would be ''what seniors are used to, are entitled to, what is fair.'' It is three times the program the Republicans have proposed.

I disagree and I dare say the seniors for whom he claims to be speaking may want a fresh approach, rather than another stale, rigid government program in delivering their prescription drug benefit as well. Choice and individual decision-making are hallmarks of America, and free market approaches best lead to economy, quality and freedom for all. Over my years as a Member of Congress, I have consistently worked for consumer choice in health care, and I believe we should approach this piece of legislation from exactly this point of view. Let us try to harness the free market forces that empower all of us to make our own decisions about health care instead of having the Federal Government do it for us.

This bill would deliver a responsible, affordable, flexible prescription drug benefit to our seniors and disabled. The bill works via many favorable market-based elements. It arranges for competitive bidding among health care plans. It does not oppose innovation-stifling price caps. We have crafted a benefit plan to be financed and administered by a new Medicare benefits administration but to be delivered by the private sector. Seniors can shop around for a benefit that works best for them, just like myself and other Members of Congress can do.

American insurance companies offer a myriad of choices in health plans, from health maintenance, HMOs, to fee-for-service, drug-benefit-only or point-of-service plans, with the most lenient alternatives for the beneficiaries. We Members of Congress have a variety of options at our disposal, from basic to gold-plated, based upon how much we want to pay. We can select what works for our family situation, our health needs and, of course, our budget. Our seniors deserve no less.

The substitute approach the minority favors would first cost a grossly irresponsible amount of money. It would bankrupt Medicare, but also limit drug and doctor choices for seniors, force them to navigate a bloated bureaucracy and lead to price controls. From the Soviet Union to the backlogged lines for health care treatment experienced in Canada, our neighbor, history and economics have reliably borne out that price controls do not work for patients and they will dampen incentives for our pharmaceutical industry to continue producing new and innovative drugs that cure, relieve and enhance our quality of life.

Finally, Mr. Speaker, I add that it is not only fiscally dangerous to rely on the Federal Government for all the answers, but a government one-size-fits-all approach is both philosophically arrogant and paternalistic. It deprives Medicare beneficiaries of the option to exercise the same choices that you and I do. Finally, while this bill is largely about benefits for today's Medicare beneficiaries, the cost impact of this legislation on today's taxpayers, the young people today who will be tomorrow's beneficiaries, should be noted. The Republican bill contains the most realistic, liberating approach of a prescription drug benefit for seniors today while keeping the Medicare program healthy for tomorrow's beneficiaries like my children.

Having said that, I look forward to what will surely be a lively debate. Let us do what is best for today's Medicare beneficiaries, but at the same time keep an eye on the future of the Medicare program.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 45 minutes p.m.), the House stood in recess until 2 p.m.