

(Mr. ANDREWS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

STUDENT LOAN DEFERMENT FOR ACTIVE RESERVISTS AND NATIONAL GUARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN of Ohio. Madam Speaker, I rise to discuss the legislation that I introduced yesterday, the Active Reservists and National Guard Student Loan Relief Act of 2003. The purpose of this act is to ease the financial burden shouldered by our many Reservists and members of our National Guard who have been called to active duty.

Right now, there are approximately 180,000 Reserves and National Guard members deployed in the United States and abroad. My legislation is a promise to the members of the National Guard and Reserves that their student loans will be taken care of while they are called to protect and fight for our country.

For members of the Reserves and the National Guard, being called to active duty often means a drastic cut in pay. This legislation will not eliminate that burden, but it will reduce the financial obligations placed on these brave men and women during their time of active service.

The legislation is quite straightforward. Specifically, it assists members of the National Guard and Reserves who have been called to active duty in two ways. It allows those members to defer their student loans while on active duty, and it subsidizes the accruing interest on those student loans which have been deferred.

The act effectively gives eligible servicemembers the same status that they had when they were students; and this will ensure that they do not return to student loans, after serving their country, that are larger than when they were called to serve. This is critically important legislation because it helps our Nation's men and women who have left their jobs, often in higher salaries, to serve in this time of crisis.

One example is a gentleman, first lieutenant from Pittsburgh, Pennsylvania, who has \$50,000 in student loans. He has a master's degree in information systems, and he was called to active duty on January 2, 2003, for 1 year of service. This particular piece of legislation would save this gentleman approximately \$2,600 this year in total interest. When we talk about families

who have student loans, mortgages, car payments, this \$2,600 will provide some peace of mind, while they are also taking a cut in pay, to hopefully allow them to focus on their duties abroad.

Congress must support our men and women who have been called to active service. This is a benefit that our troops enjoyed under the first President Bush during Operation Desert Storm, and it should be promised to our troops today and for the future. I urge Members to support this legislation, and thank the strong bipartisan support that we have already received.

MEDICAL MALPRACTICE INSURANCE CRISIS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Madam Speaker, I am here tonight to talk about the medical malpractice insurance crisis which we face in New Jersey and in many States around the country. My concern is that the legislation, H.R. 5, which the Republican leadership intends to bring to the floor of the House of Representatives tomorrow, will not solve the problem in any way and in fact is another example of politics as usual where the Republican leadership, in this case with the support of the President, are bringing up a bill that they realize has no chance of passage. It may pass here and then it will go over to the other body and fail because it was not done on a bipartisan basis; it was not done in an effort to try to bring the parties together and put together something that would actually accomplish the purpose of bringing malpractice premiums down. Rather, it is sort of a bone to special interests.

In other words, it is something that is being put out so the Republicans can say and the Republican leadership can tell the doctor groups, the hospital groups, the HMOs, the drug companies, the medical device companies that somehow they are doing something to help them when in reality they are not because it is not a bill that will ultimately pass.

I want to talk a little bit about the crisis because it is real. In my home State of New Jersey, we have major problems with increasing malpractice premiums. Some of the doctors actually went out on strike about a month ago because of their concerns; and it continues to be a problem, particularly with certain specialty doctors. But in many cases, it is an across-the-board problem in New Jersey.

What is happening now with this Republican bill, H.R. 5, is it is essentially a one-size-fits-all approach that does not look at the actual underlying issue of health care and medical malpractice. It is really designed to put a cap on jury awards at \$250,000, the theory being if you do not allow large jury

awards, that will bring down the cost of malpractice insurance premiums. There is no evidence that is true.

The Republican leadership often cites the State of California as an example of where that kind of cap, a \$250,000 cap, was put into place; but we know when the cap was put into place in California, premiums did not go down. The only time when premiums went down in California was when there was an initiative passed by the voters that actually addressed the cause and said that premiums could not rise a certain amount. That did accomplish bringing the premiums down because they were not allowed to increase significantly. But the \$250,000 cap did not accomplish that.

There are many factors that contribute to the malpractice crisis in New Jersey and elsewhere. There is the changing face of health care in our Nation, namely an increase in high-risk procedures with inherently bad outcomes. There are also the recent problems we have seen in the health care market, namely a shift to managed care, to HMOs which have increasingly created bad outcomes. In addition, bad accounting or bad business judgment on the part of insurance companies has to be taken into consideration when discussing dramatic rises in medical malpractice premiums.

Now, wherever there has been success in trying to reduce premiums for malpractice insurance, it is because there has been some kind of combination of maybe some tort reform, but also linked to trying to actually address directly the effort to reduce the premiums themselves. As I said, in California the premium increases were actually capped.

In my home State of New Jersey a few years ago in the 1970s when we had a problem with rising malpractice insurance premiums, we set up a reinsurance fund which basically said that the insurance companies had to pay a certain amount of money into a fund, and that money would be used to reduce premium costs when there was a crisis.

I actually proposed this in the Committee on Energy and Commerce in the subcommittee that has jurisdiction over this issue. Last week when we had a markup, I proposed H.R. 485, the Federal Medical Malpractice Insurance Stabilization Act, that would create a national reinsurance fund just like we had in New Jersey. The proposal mandates that the Secretary of Health and Human Services establish a program where insurance companies pay into a Federal fund. In time of crisis, these funds are made available to the companies in an effort to provide stability in the marketplace for medical malpractice coverage.

I mention this not because it is the cure-all, but when I tried to raise it in the subcommittee, the Republicans said it was not germane. They would not allow it to be considered as an amendment. Why? Because they have this one-size-fits-all philosophy. They