

(d) FUNDING.—Section 1367(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d(b)) is amended by striking paragraph (1) and inserting the following new paragraph:

“(1) in each fiscal year, amounts from the National Flood Insurance Fund not exceeding \$40,000,000;

**SEC. 5. FEMA AUTHORITY TO FUND MITIGATION ACTIVITIES FOR INDIVIDUAL PROPERTIES.**

(a) IN GENERAL.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

“GRANTS FOR MITIGATION ACTIONS FOR CERTAIN INDIVIDUAL PROPERTIES

“SEC. 1323. (a) IN GENERAL.—The Director may provide funding for mitigation actions that reduce flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage under this title, but only if the Director determines that—

“(1) such activities are in the best interest of the National Flood Insurance Fund; and

“(2) such activities can not be funded under the program under section 1366 because—

“(A) the requirements of section 1366(g) are not being met by the State or community in which the property is located; or

“(B) the State or community does not have the capacity to manage such activities.

“(b) PRIORITY FOR WORST-CASE PROPERTIES.—In determining the properties for which funding is to be provided under this section, the Director shall consult with the States in which such properties are located and provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.”

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

“(9) for funding, not to exceed \$10,000,000 in any fiscal year, for mitigation actions under section 1323, except that, notwithstanding any other provision of this title, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”

**SEC. 6. TARGETS FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.**

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended by adding at the end the following new subsection:

“(d) TARGETS FOR PARTICIPATION.—Not later than December 31, 2004, the Director shall submit to the Congress a detailed plan for increasing the percentage of properties located in areas in which flood insurance coverage under this title is made available that are covered by such insurance. The plan shall describe specific actions to be taken to ensure that such participation is not less than—

“(1) 55 percent as of December 31, 2005;

“(2) 57 percent as of December 31, 2006; and

“(3) 60 percent as of December 31, 2007.”

**SEC. 7. REITERATION OF FEMA RESPONSIBILITY TO MAP MUDSLIDES.**

As directed in section 1360(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director of the Federal Emergency Management Agency is again directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of such section 1360, in order to make known the degree of hazard within each such zone at the earliest possible date.

The SPEAKER pro tempore (Mr. GINGREY). Is there objection to the request of the gentleman from Florida?

Mr. FRANK of Massachusetts. Mr. Speaker, reserving the right to object, I just want to say that this unanimous-consent agreement reflects a very cooperative agreement between the majority and the minority. We have had a chance to go over all this. It is an agreed upon procedure. We have even had a chance to read the bill. And so because this is such a contrast to the Medicare bill and the way it has been handled, I do not object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

**ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003**

Mr. INSLEE. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby give notice of my intention to offer a motion to instruct on H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003.

The form of the motion is as follows:

Mr. INSLEE of Washington moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1 be instructed as follows:

(1) To reject the provisions of subtitle C of title II of the House bill.

(2) To reject the provisions of section 231 of the Senate amendment.

(3) Within the scope of conference, to increase payments by an amount equal to the amount of savings attributable to the rejection of the aforementioned provisions to—

(A) raise the average standardized amount for hospitals in rural and other urban areas to the level of the rate for those in larger urban areas; and

(B) to raise the physicians' work geographic index for any locality in which such index is less than 1.0 to a work geographic index of 1.0.

(4) To insist upon section 601 of the House bill.

**ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2989, DEPARTMENTS OF TRANSPORTATION, AND TREASURY AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2004**

Mr. HASTINGS of Florida. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I announce my intention to offer a motion to instruct conferees tomorrow on the bill H.R. 2989, the Departments of Transportation and Treasury and Independent Agencies Appropriations Act of 2004.

The form of the motion is as follows:

Mr. HASTINGS of Florida moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to

the bill H.R. 2989 be instructed to recede from disagreement with Senate Amendment 1928 (relating to the provision of \$1,500,000,000 for grants to assist State and local efforts to improve election technology and the administration of Federal elections, as authorized by the Help America Vote Act of 2002).

**PERSONAL EXPLANATION**

Ms. JACKSON-LEE of Texas. Mr. Speaker, I was unavoidably detained in my district yesterday, but if I had been here I would have voted in the following way: On rollcall vote 628, on ordering the previous question, I would have voted “nay;” on rollcall vote 629, on agreeing to H. Res. 443, I would have voted “no;” on rollcall vote 630, H.R. 6, I would have voted “yea;” on rollcall vote 631, on agreeing to the energy and water conference report, I would have voted “aye;” on rollcall vote 632, H.R. 1274, I would have voted “aye;” and on rollcall vote 633, on the motion to instruct conferees on H.R. 2417, I would have voted “aye.”

**MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003**

Ms. HOOLEY of Oregon. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Ms. HOOLEY of Oregon moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1 be instructed as follows:

(1) To reject the provisions of subtitle C of title II of the House bill.

(2) To reject the provisions of section 231 of the Senate amendment.

(3) Within the scope of conference, to increase payments for physician services by an amount equal to the amount of savings attributable to the rejection of the aforementioned provisions.

(4) To insist upon section 601 of the House bill.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Oregon (Ms. HOOLEY) and the gentleman from Florida (Mr. FOLEY) each will control 30 minutes.

The Chair recognizes the gentleman from Oregon (Ms. HOOLEY).

□ 1915

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I stand here in the well of the people's House today to offer a motion to instruct the conferees of the Medicare prescription drug bill to provide a much-needed payment update to physicians for the next 2 years and eliminate provisions that would privatize Medicare.

Right now, as we speak, doctors are faced with the tough choices of treating patients, old friends and new patients alike, or turning them away since the reimbursements under the Medicare program have not kept pace

with the costs of practicing medicine. This is not an argument about the quality of health care; it is about the ability to receive health care at all. This is a particular problem in rural areas like those that make up part of my district in Oregon.

The decisions that we make on this bill will have a disproportionate impact on the ability of millions of Americans to have access to health care. We cannot enable more doctors to see more Medicare patients if we continue cutting payments to doctors. If we do not act soon, there will be another 4.5 percent reduction in reimbursements to physicians who are treating those who count on their care the most, our seniors. That 4.5 percent cut represents a loss of \$20 million to my State alone. The overall costs are staggering, and the damage to the health of American seniors will be as well.

For a State with historically low Medicare reimbursements like Oregon, the impact is even greater. According to the AMA, the cost of practicing medicine has gone up by more than one-third since 1991. Over the same period of time, the rise in Medicare payments has been less than 10 percent. Just last year, doctor payments were cut by 5.4 percent; and if we allow those further cuts to take effect, this would be the fifth time in 12 years that rates have been cut. If cut, the level would drop to nearly 8 percent below the 2001 level.

My doctors tell me their costs have not dropped by 8 percent, and I suspect that doctors across the country would agree. It makes no sense whatsoever to cut payments when the costs of practicing medicine are on the rise. Doctors simply cannot afford to take more cuts. I am worried whether we are going to have a Medicare system by the cuts we are asking doctors to take. Already one-quarter of family physicians across the Nation are saying they cannot accept any new Medicare patients. Who knows how many more will choose to do the same in January when they are told reimbursements have been slashed again.

As a Nation, we must provide our doctors with a means to treat and provide health care to our citizens. This motion would instruct the conferees to protect the language in the House version of the prescription drug bill that would reverse the cut to our physicians while providing a 1.5 percent increase to payments for the next 2 years.

To fund the increases in payments to our doctors, this motion strikes funding for privatization provisions in the underlying prescription drug bill. The Centers for Medicare and Medicaid Services estimates that under a privatized Medicare, premiums would skyrocket for seniors who choose to stay in traditional Medicare. I am concerned that by increasing the premiums of traditional Medicare many beneficiaries would be forced into HMOs and other private plans.

This small, but critical, increase will give doctors nationwide the wherewithal to continue treating seniors on Medicare, and it will give Congress time to develop a permanent fix for this flawed system that shortchanges doctors and continues to restrict the ability of seniors to access health care services.

I ask my colleagues to work with me to fix this Medicare physician reimbursement formula which currently threatens to destabilize the Medicare program. Seniors rely on their doctors and the medicines they need to stay healthy. They have waited too long for a prescription drug benefit in Medicare and relief from the high cost of prescription drugs. We must work together for a drug benefit that prevents seniors from risking their health by cutting pills in half or having to choose between paying for medicine or paying their rent, electricity, or buying food.

For 4 decades this Nation promised that Medicare would provide health care for all seniors. Medicare ensures these hard-working older Americans who have paid taxes and paid into the system that they have health care coverage. I urge my colleagues to vote for this motion to allow our constituents to continue to have access to high-quality care.

Mr. Speaker, I reserve the balance of my time.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am thrilled to be on the floor talking about Medicare tonight and certainly thrilled I have a chance to answer some of the comments made by the gentlewoman from Oregon (Ms. HOOLEY).

In my district in Florida, I have the fifth largest Medicare eligible population of 435 congressional districts. This is not an issue I take lightly. I would suggest some of our colleagues read the actual bill because what they are asking us to do tonight in their amendment is exactly why we are focused on some of the reforms in the very Medicare package we are talking about.

A physician update, an increase in payment, is in the bill the House Republicans have authored and sent to this floor and now is in conference. There was a mention that there was a fee cut last year of 5.4 percent. I would like to correct the record. As a member of the Committee on Ways and Means who fought to increase physician reimbursement, not only did we eliminate the cut a year ago; we actually increased by 1.5 percent in this bill. In Oregon we have a 1.5 percent update in 2004 and in 2005. We have a 5 percent bonus for those working in rural Oregon to make certain that they are able to see the patients because of the limited access and limited number of physicians. So there is a 16 percent increase in the bill we are talking about today.

Let me also take some exception when it is discussed about this FEHBP

competitive-style model for a minute. My district is typical of most districts in the country. In fact, in Florida I represent eight counties: Palm Beach County, St. Lucie, Okeechobee, Glades, Hendry, Martin, and Charlotte. It goes from the east coast on the Atlantic to the west, ending at the Gulf of Mexico. There is almost every demographic mix one can imagine, people moving from the north and east coast; and what they have said to me in town hall after town hall, I want choices like Members of Congress have. They say they want choices like we have in our health care delivery system, and I reach for my wallet because I know somewhere in here is my Federal health benefit plan; and I get a range of options to choose from, whether I want a higher deductible, higher copayment, whether I want a fee-for-service or PPO or a managed care plan.

Seniors in my district are smart enough to know they are able to make choices. The Democrats have been down the street burning AARP cards this afternoon. Rather than engaging in constructive debate on how to fix the most important plan for seniors in this country, they are invoking memories of Jane Fonda burning things in city streets around our country and screaming that AARP has sold them out.

A month ago AARP was, as I was told by some of my colleagues on the other side of the aisle, the gold standard of senior lobbying organizations, and I tend to agree. I meet with AARP in my district in order to have a dialogue to see if we can meet some common ground and common objective. So when AARP indicated that they were supporting our Medicare bill, it was not only refreshing that we were engaged in a bipartisan, constructive conversation, but we were actually modernizing Medicare.

So to eliminate the competitive model in the Medicare plan we are discussing undermines the very notion of what the gentlewoman from Oregon (Ms. HOOLEY) is debating on the floor today. The update for physicians is in the bill.

Let me also say another thing that is troubling me because I have been somewhat perplexed by this insistence by the other side of the aisle that the trouble with this bill is we do not get after those nasty drug companies.

We do not just let our citizens run across the border and buy drugs from Canada. I just finished a TV interview with one of my colleagues talking about the cost of drugs in America and the cost of drugs in Canada, but let me talk about a more critical concern of mine.

In my district in my county in Florida, the first case of anthrax poisoning occurred in Palm Beach County, Florida, the death of a man who worked for the National Inquirer because he contracted anthrax through the mail that was sent to the National Inquirer.

Why do I bring that up and why do I raise the anthrax attacks and the fear

it invoked in Florida? Because one of the concerns that we have all indicated is we want cheaper prescription drug prices for our seniors, but we wanted a protected chain of custody to make certain that the drugs we are getting for our seniors are not tainted.

Let me read this headline from the National Journal Group American Health Line. It says that Florida laws to prevent the sale of counterfeit or diluted prescription drugs in the State are too weak, according to a report issued Tuesday. The Miami Herald reports the report found that as many as 55 of the 1,458 prescription drug wholesalers licensed in Florida sell counterfeit or diluted medications or treatments illegally imported into the United States. The Office of the Attorney General said the questionable medicines for some wholesalers have reached pharmacies, but the extent of the problem is not known.

So I continue to hear these bottles of pills rattling on the other side of the aisle saying just let us have our chance to be in the debate, and we will get Americans cheaper drugs from Canada. Well, the first person that dies from an anthrax-laced medication or the first person that receives phony or altered cancer drugs and dies because they did not receive the proper dosage, the first person who has a catastrophic incident because somehow that cheaper drug that my colleagues have suggested they will bring to our States has harmed a citizen, I cannot wait to watch the rush for the exit by each of those who have been rattling these pill bottles saying that was not my idea, I certainly did not want any part of it.

So let us debate Medicare and let us debate it on the floor, not in the AARP lobby, not in the newspapers, and not on TV, but for seniors like my parents and in the memory of my grandmother, whose one wish was that Social Security and Medicare would sustain her for her life. The one check she would wait for was Social Security, and the one thing she wanted more than ever was not to be a burden on her children or grandchildren. She wanted to be self-sustaining. It is in her memory I have worked 9 years on Medicare and want to make certain this proposal works. So I reject this motion.

We will continue to have discussions on it, but the things that have been raised in this motion today on H.R. 1 are just not accurate. They just do not apply. If they read the bill, they will see that physicians are getting compensated properly. They will see the competitive model is not going to undermine Medicare. It has no effect on entitlement. There is continued entitlement to defined benefits under current law. There is continued access to traditional FFS Medicare through the fee-for-service Medicare throughout the country, and all payments to plans, including traditional fee-for-service Medicare based on the demographic and health risks of employees. We have provisions in this bill that deal with most of the problems raised.

Mr. Speaker, I reserve the balance of my time.

□ 1930

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 7 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Oregon (Ms. HOOLEY) for yielding time and thank her for her leadership on this Medicare issue and her leadership on health care issues generally.

Mr. Speaker, I heard my friend from Florida not once, not twice, not three times, maybe not even four times, maybe five, six times say, "You should just read the bill." That is the problem. As bad as the Medicare bill is, the process is even worse. We would like to read the bill. We cannot find it. The reason we cannot find the bill is the bill was, first of all, written by the prescription drug companies, by the insurance companies, in private, similar to how Vice President CHENEY wrote the energy bill, Vice President CHENEY who still receives \$3,000 a week from an oil company as part of his pay, but these bills have been written in secret.

The prescription drug bill has been written by the insurance industry, by the drug industry. At the conference committee when the House and Senate were trying to work together to write a bill, no House Democrats were allowed in the room. No House Democrats were allowed to look at the bill, to discuss the bill, to debate the bill or to offer amendments. When I hear my friend from Florida sort of gratuitously say we should read the bill, we would like that opportunity.

The problem with this prescription drug issue, it is not really a prescription drug bill. We could have passed a prescription drug bill, take \$400 billion and distributed it to seniors who need drug coverage. We could have done that cooperatively, bipartisanly in a day or two, but what this bill really is, it is a Medicare privatization bill. When you think about this, and I have been a ranking Democrat on the Subcommittee on Health for 4, 5, 6 years, I have been on that committee for more years than that and watched sort of how the Republicans look at this Medicare issue. They all say, my mom's on Medicare, my grandfather's on Medicare, I like the program. Ultimately, when you look at what Republicans do in Medicare and you look at the history of the Republican Party with Medicare, the problem is they simply do not like Medicare. You can say, well, that's not true.

Let us do a little bit of history. When Congress passed the legislation to create Medicare, President Johnson signed the bill in July of 1965 creating this program that now insures 39 million Americans. At that moment, half of American seniors had no health insurance. The other half did, but it was clearly a big problem. Lyndon Johnson signed this bill. The fact is only 13 Republicans in the whole House of Rep-

resentatives supported the bill to create Medicare. Gerald Ford, a Member of the House, opposed it. Bob Michel, the Republican leader, opposed it. John Rhodes, another Republican leader, opposed it. Bob Dole opposed it. Senator Strom Thurmond opposed it. Donald Rumsfeld voted against the creation of Medicare. They simply did not like the idea of a government program. They wanted to continue to let these seniors be out in the market, be in the private market. If they could get insurance good; if they could not, that was just too bad. They should have thought of that and made more money or whatever the reason. Nothing much happened to change Medicare except it worked, from 1965 until 1995. Then the first time Republicans had a chance, the first time Republicans were in the majority in 1995, right out of the box Newt Gingrich tried to privatize Medicare. He tried to cut \$250 billion from Medicare to pay for a tax break for the most privileged people in society, just like they do now. He immediately tried to privatize Medicare. Fortunately, President Clinton stopped that. Fortunately, other Members of this Congress stood up and fought it and stopped it.

Speaker Gingrich, in 1995, bragging in a meeting of the American Conservative Union, said, We don't get rid of Medicare right away. We don't think it's politically smart. We think the right way is to go through a transition, but we know it's going to wither on the vine. That is what Speaker Gingrich wanted to do. He wanted to privatize it.

Bob Dole, then a Senator, then a Presidential candidate, Bob Dole bragged that he was in the arena trying to fight Medicare, trying to fight its creation 30 years earlier.

It is pretty clear that Republicans in 1965 voted against the creation of Medicare, including one future President, one future Presidential candidate and other leading Republicans. Then in 1995, when they had a chance, they immediately tried to privatize Medicare and cut its funding. In fact, AARP president Bill Novelli, who has gotten sort of famous this week in his sellout to the drug companies and the insurance interests, Bill Novelli wrote the preface in Newt Gingrich's health care book, his health care privatization book. He called Newt a big-idea person. The Republican majority has continued to rally behind Newt Gingrich's call for Medicare privatization. JOHN LINDER told the House Rules Committee last year that Medicare was a Soviet-style program. Dick Armey, majority leader of the House of Representatives last year, said, in a free society we wouldn't want to have Medicare. Former Congressman Rick Santorum says the traditional Medicare program has to be phased out. And BILL THOMAS, working with the drug industry and the insurance industry in writing this Medicare privatization bill, told a reporter, to those who say that this bill would end Medicare as we know it, our answer is, we certainly hope so.

The conference bill does that. It would end Medicare as we know it, because Republicans would rather throw money at a private failure rather than continue support for a public success.

Mr. Speaker, Medicare has worked for seniors in this country. We need to add a prescription drug benefit inside Medicare, not turn this program over to the insurance interests who are getting a \$20 billion taxpayer gift once this bill is signed into law if it passes, and we do not want to turn this program over to the drug industry who will profit 140 billion additional dollars under this bill.

Mr. Speaker, my Republican friends, it is an honest debate. They simply do not like Medicare. They do not believe there should be a government program called Medicare. They think the insurance industry and the drug industry ought to do this. That is their view. Mr. Speaker, I hope that enough Members rally around because it is clear that seniors in this country want to protect Medicare. They do not want it privatized. They want a public health system that works for everybody and treats everybody the same.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

It is indeed appropriate that there be a doctor in the House sitting in the well presiding as we discuss this important project, a doctor who happens to be a Republican. The notion that we want to destroy Medicare is patently false. It is interesting, I am on the Committee on Ways and Means, so this is something we deal with quite frequently, how many letters I get urging us to increase the fee payments to Medicare+Choice organizations, Blue Cross and Blue Shield of New Jersey, Blue Cross and Blue Shield of Florida. From my colleagues on the other side of the aisle who somehow find those Medicare+Choice, which are popular with their constituents, we should increase reimbursements to those plans. But if they listened to the argument they just made about privatization, then those Medicare+Choice panels would not even operate. They would not even exist.

So it seems like there is a number of Members here that seem to trust the private health insurance industry when it suits the political goals of allowing their constituents to have access to prescription drugs, to eyeglasses, to other remedial services, that is okay. That is not really privatization. That is kind of a sort of an experiment, I guess. But that is in fact what is happening today. There are managed care plans that President Clinton supported and endorsed and increased funding for, community health care organizations, a number of things that we have done in our communities to make certain health care is delivered.

We know they are losing the debate when they have to bring up Newt Gingrich on the floor and rather than talk about substantive debate here, many of us have read the bill numerous times

because we had it on the floor, we all had a vote, I think nine Democrats joined us in supporting that bill. I know it was not in its entirety. I am sure there are some new additions, some new conference report language, some different things, but we are not talking about whole new territory here, we are not going over new ground. But I would caution when we start accusing the entirety of the Republican Party as being opposed to Medicare that that is somewhat of a hurtful statement to this Member because I take seriously the responsibility I have representing seniors, I take seriously the fact that my parents are on Medicare, enrolled in Medicare, my father is suffering today with cancer who is being treated by great physicians in Palm Beach County who are being reimbursed by Medicare, who seem to be not only caring for him, but obviously thrilled with their work and happy with the reimbursements being offered.

The current Medicare system is a sickness model. I am hopeful that the party on the other side of the aisle comes back to the roots of Claude Pepper from Florida and Lyndon Johnson who would have recognized a fabulous program but one that needs to reflect today's technologies.

In our bill we have wellness incentives to look for dietetic screenings to see if we can prolong the life of someone suffering from diabetes. Medicare today will reimburse to amputate your limb, they will watch you go blind, they will put you on dialysis, but we will not reimburse a dietician to come in and see if we can properly construct a diet to minimize the onset of the disease. That is a plan that they want to sit here and defend? New technologies that can indicate a cancer in the body early and detect it and cause, hopefully, the cure of that cancer. Cardiovascular screening that I have worked on with Senator BOB GRAHAM from Florida.

This Medicare bill we are bringing to the floor has a lot more to offer than some of the criticism would indicate. But I still have to snicker when I see a group of people standing outside of AARP burning cards. It harkens back to an earlier day. I just somewhat humorously look at how quickly they turn on that organization whom they held in such high esteem up to 48 hours ago and now is being vilified here on the floor. We are happy AARP weighed in. They said it was a first step. They did not say this was a panacea, nor did any Member of this body ever suggest that this is the last thing we will ever do on Medicare. We will learn as we go along, we will add, we will try and increase the opportunities for preventive health care, we will increase reimbursement to hospitals in every Members' district, a bill that I authored. We are doing the drug discount card, another provision that I authored that will be in this bill. I think we are on the right track.

Mr. Speaker, I reserve the balance of my time.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Just a reminder, I think that everybody on the floor of the House, all Members from both the Republican and Democratic Party, would be happy to see those changes, that in fact they would not pay for amputation of a leg or an arm and would pay for diabetes treatment along the way.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. PALLONE) who has been working on health care issues the entire time he has been in Congress.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman for yielding me the time and her remarks.

I listened to what the gentleman from Florida said, and I have to say, I know he is well-intentioned. I certainly do not mean to imply that he is not well-intentioned, but the problem is that the ideology of the Republicans is getting in the way of what works practically. I am afraid that the ideology, even though they may not intend it, ultimately, will destroy Medicare.

The gentleman from Florida talked about Lyndon Johnson and the origins of Medicare. I do not want to go through all that again, but we must remember that the reason that President Johnson and the Democrats primarily put Medicare into place in the sixties was because the private market did not work. Seniors were not able to go out and get insurance in the private market, and so that is why the government had to set up a program to insure the senior citizens. That is the bottom line. Practically speaking, I do not really have an ideology. I do not care if it is a government program versus a private program, but the bottom line is that the government program, the Medicare program, works and it works because you have this large pool that all the seniors are members of, and the private market has essentially told us in many cases that they are not going to provide the type of health insurance that many of the Republicans have talked about.

The gentleman says that Democrats are against HMOs. I do not have a problem with HMOs and managed care. He mentioned my home State of New Jersey. Sure, lots of seniors sign up for HMOs in New Jersey. But the problem is that the HMOs have increasingly dropped the seniors. Something like 80,000 to 100,000 New Jersey seniors in the last few years have been dropped by HMOs. All we are saying, as Democrats, is we do not want seniors to be forced into managed care, forced into HMOs in order to get a drug benefit. That is what the gentleman is doing. That is what the Republicans are doing with this bill. Essentially, the only way practically speaking that you are going to be able to get a drug benefit is if you join an HMO, and then you lose your choice of doctors. That is not fair.

If you really cared about Medicare, and you wanted to just expand it and include a prescription drug benefit to deal with preventive care, then all you have to do is what the Democrats have said all along, add the drug benefit to traditional Medicare. We have talked about that. We have said just like you have part B now for your doctor bills, where you pay about a \$50 a month premium, you have a \$100 deductible for your first doctor's visit and after that the Federal Government pays 80 percent of the cost and you pay 20 percent up to a certain amount when the Federal Government pays the whole thing. We advocated and we voted on a substitute to this awful Republican bill. We had a Democratic substitute that did exactly the same. You paid \$25 a month, the first \$100 deductible on your drug bills you have to pay, and after that 80 percent is paid for by the Federal Government, 20 percent by you, up to a certain amount, and then the Federal Government pays 100 percent. If you really liked traditional Medicare and wanted to keep it going the way it is, then you would not have any problem doing just that. Take whatever pot of money you have and add a prescription drug benefit to traditional Medicare. But that is not what you do. The Republicans basically want to privatize, and they force people to go into an HMO to get the drug benefit.

□ 1945

The gentleman's motion here is very simple. Basically, she is saying do not give extra money to the HMOs and the private insurers because we know that they cannot compete with the regular Medicare program. Do not give them the windfall and extra money in order to make them participate in this plan. Take that money and give it, as she said, to the doctors to increase their reimbursement rate. Whether we give it to the doctors or whomever we give it to, the bottom line is that we should not be giving windfall dollars to HMOs and private insurers so that they have extra money to compete with the traditional Medicare fee-for-service.

If my colleagues feel that there needs to be competition and that HMOs should be out there as an option, or other private insurance options should be out there, then let them compete in a traditional way. Do not give them all this extra money and say, Here is some extra money, so you come into the market, because then we do not have fair competition. We do not have fair competition at all. We are giving them extra money, and what we are going to ultimately do is to make it impossible for people to stay in traditional Medicare.

The thing that really bothers me the most is that they keep mentioning on the Republican side all the different groups that support this Republican Medicare bill. They mention AARP, they mention the AMA, they mention the drug companies, PhARMA or whatever. The reason that all these dif-

ferent groups support this bill is because they are all getting a piece of the action. In other words, the doctors are getting an increased reimbursement rate, so of course they think it is a great bill. AARP is an insurance company. They are going to sell insurance, so they think it is a great idea. And the drug companies love it because they have a clause in here that says that the Secretary of Health and Human Services, the Medicare administrator, cannot negotiate price reductions, so they are happy because they can continue to charge higher price, increasing prices.

So all these different special interest groups, they are all very happy; but the Medicare recipient, the senior, is the one that suffers because they are not being given an adequate benefit. Not only are you telling them that they have to join an HMO, but they are going to have to pay more out in their out-of-pocket in order to get any kind of drug benefit.

If we look at the way this thing is structured, the deductible is \$275, not \$100. 275. The cost sharing, basically the Federal Government pays 75 percent of the cost but only up to \$2,200 a year. After that there is a doughnut hole and the senior has to pay out of pocket up to \$5,044. So what we are going to see here with these seniors is there is no set premium. So the HMO is going to come in and say they are going to charge them, who knows, \$75 a month, \$80 a month. The sky is the limit. There is no set premium; 275 deductible, between \$2,200 and \$5,000 out of pocket. They get nothing from the Federal Government. There is no reason for anybody to sign up for this thing because they are not getting a benefit. They have to lose their choice of doctors. They get a lousy benefit that is not even worth having. Meanwhile, all the special interests, the HMOs, get all this windfall in terms of dollars.

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

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

Mr. GEORGE MILLER of California. Mr. Speaker, the gentleman is correct here. Assuming the \$35 premium, in fact, out of the first \$5,000 of benefit, they have to pay \$4,020 out of pocket.

Mr. PALLONE. Absolutely.

Mr. GEORGE MILLER of California. Mr. Speaker, I guess maybe some people in America think that is a drug benefit, but that is not going to provide. Out of the first \$5,000, they pay \$4,020 out of their pocket and they get \$1,000 in benefit.

Mr. PALLONE. Right. Reclaiming my time, Mr. Speaker, that is assuming that the benefit is \$35.

Mr. GEORGE MILLER of California. That is assuming it is \$35, but nothing in the law requires it to be \$35.

Mr. PALLONE. Absolutely not.

Mr. FOLEY. Mr. Speaker, I reserve the balance of my time.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank the distinguished gentlewoman from Oregon for yielding me this time, and I appreciate her so very much for her bringing this motion.

It is most regrettable that we are in this dispute in the manner that we are because in many respects it comes from a lack of communication between the two respective sides.

Mr. Speaker, it gives me great pleasure to support the gentlewoman from Oregon's (Ms. HOOLEY) measure.

Since 1965 Medicare has been a vital instrument in ensuring quality health care to America's elderly and disabled. Like my friend from Florida, my mother is on Medicare, and like my friend from Florida, my mother is desperately ill. The real truth of the matter is if it were not for Medicare, I would not be able to sustain my mother's present care.

Medicare's 40 million beneficiaries use thousands of different health care products and services furnished by over 1 million providers in hundreds of markets nationwide. However, today a great number of people in this House seek to dismantle Medicare with a fool's gold of a bill titled the Medicare Prescription Drug and Modernization Act.

Despite my Democratic colleague's best efforts to make this an inclusive and comprehensive process, one that addresses the real concerns of America's seniors and disabled, we are shut out from negotiations. My friend on the other side from Florida, and he is my friend, may have seen this bill. But I serve on the Committee on Rules. We have not met on it for it has not been filed, and we will not see it until maybe an hour before we go to the Committee on Rules on this measure.

The bill does not ensure affordable prescription drugs because of the arbitrary budget cap pushed by the administration. H.R. 1 has high deductibles and does not guarantee an affordable premium. In addition, the Medicare Prescription Drug and Modernization Act creates large coverage gaps with many seniors being required to pay high premiums even when they do not receive benefits. Let me tell the Members about one guy that is from Myakka City, Florida, Mr. Coldao, a Vietnam veteran-turned-farmer who cannot afford health coverage and now faces losing the little that he has because drug companies flee rural areas in search of bigger profits.

Approving this bill may not guarantee a destitute future for those of us that are Members of Congress, but it will guarantee a destitute future for those seniors who do not and have not served in this body.

Mr. Speaker, simply put, this bill should be wrapped around a toilet paper holder and stuck in one of the Capitol's bathrooms. It is that bad. It is poison for this country. It stinks.

And now I want to tell my friend about this AARP. I am a member of that organization until yesterday. And

I did not go to AARP and burn my card. I sent to its director notice that I resigned, and let me tell the gentleman why. Because I never received a mumbling word from anybody at AARP asking me, one of the 35 million members, what I think about this particular measure. I did not receive a questionnaire from them, and I ask my friend from Florida, are all seniors being treated equally under the Republican plan that he has seen and Democrats have not? What are the effects on Medicaid in the State of Florida and in the State of Oregon and this Nation as it pertains to the poor? And most importantly, here come the baby boomers. Baby boomers, get ready. Get ready to go bust under this plan.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Of course I respect very much my colleague from Florida, and I appreciate his words tonight. I do want to at least add that at the current program we have on Medicare, just to correct any record, there is zero prescription drug coverage in Medicare. So for the very seniors they are talking about tonight, the veterans they are talking about tonight, citizens watching us tonight, they have zero coverage from Medicare for prescription drugs. Yes, there is a \$275 deductible, and there is a monthly premium. The average American spends about \$2,000 on drug costs annually. Under our plan they will probably save anywhere from \$900 to \$1,100 that will now be provided through Medicare to them. So anyone who is spending money on drugs today with this bill will have a benefit.

The drug discount card that I authored along with Senator HAGEL that is now part of this global bill includes for low-income families a \$600 credit much like their ATM card that they can use at drug stores to not only achieve a discount off the retail price of the pharmaceutical but also have money to purchase and back up that purchase.

So, yes, I am pleased with the progress we are making. I am pleased that we have things in this bill to provide new remedies for situations for ailing seniors, and I am encouraged by the fact that we have been able to increase reimbursements to hospitals, increase reimbursements to physicians. We are able to do some of the diagnostic tests necessary to improve and enhance the quality of life. So I feel very comfortable, as we continue the debate, that more changes probably can be made if we deal in a constructive fashion.

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

Mr. FOLEY. I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, again I have not seen the bill because it has not been given to the Democrats, but my understanding is that the Medicare program that the gentleman has talked about, the comprehensive program, is not effective until the year 2006.

Could the gentleman explain to me, if it is true that all these problems are out there and all these changes need to be made to Medicare, why the Republicans are going to wait until the year 2006 to have this program kick in?

Mr. FOLEY. Mr. Speaker, reclaiming my time, actually 6 months from enactment, we will start with a discount card that will provide an immediate \$600 in the plan. A number of the wellness provisions we are talking about will become instantaneous, the increase to physicians, the increase to hospitals, the increase to managed care.

Mr. PALLONE. But generally, Mr. Speaker, it does not kick in until 2006.

Mr. FOLEY. Mr. Speaker, reclaiming my time, there will be a number of things that will take place up until 2006. The big fundamental prescription drug will be 2006, the gentleman is correct. Because we have to get plans up and running. We have to implement the delivery system. We have to get plans concurrent. We have to do the pharmacology. So there are a number of things that will require some time.

Mr. PALLONE. Mr. Speaker, the gentleman does not think that could be done by next year?

Mr. FOLEY. Maybe. That may be possible as we move forward. With some cooperation, we may be able to actually expedite the time frame. That is this gentleman's wish. The sooner, the better. But within 6 months of enactment, we will have the first phase of this. We will have a number of the components already implemented. As to the prescription drug plan, I think our leadership will move more quickly than 2006.

Mr. Speaker, I reserve the balance of my time.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 3½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank my colleague for yielding me this time and also for this motion to instruct and for her tremendous leadership on this issue.

This bill of course we have yet to see but have heard a lot about what will essentially privatize Medicare. Not only will the bill begin to dismantle a program that has worked for over 30 years; it does fatten the pockets of the pharmaceutical and the private insurance industry donors, leaves over 9 million rural Medicare beneficiaries with no access to affordable prescription drugs, and really does pit seniors one against the other based on their income through means testing.

I hope we say no to this Republican bill. Under this bill, Republicans have eliminated Federal Medicaid funding to fill in the gaps in the Medicare drug benefit, disproportionately affecting rural beneficiaries who are 20 percent more likely to have incomes below 150 percent of poverty level. This means that up to 1.7 million beneficiaries could have their current drug coverage reduced.

Under this bill new, untested private insurers are authorized to provide a prescription drug benefit. Under this bill Republicans cap Medicare spending for the traditional programs and also for private plans, of course shifting the greater risk and cost to our senior citizens. It does not make any sense to provide a \$12 billion slush fund to keep private insurers in Medicare, which is really anticompetitive. It is costly and it is unfair to seniors.

□ 2000

Also, as I understand it, under this bill, Republicans leave seniors who spend between \$2,200 and \$3,500 for prescription drugs without any cost assistance or sharing for Medicare. And again, not having seen the bill, but from what we hear, under this bill, and of course the administration and the Republican leadership have weakened all of the measures to control the costs of these drugs; policies to promote access to generic drugs and reimportation of U.S.-made drugs which, of course, we passed in this House, those provisions have either been watered down or just totally disregarded.

To put it simply, a senior who receives \$2,200 worth of drugs in a year will pay about \$420 in premiums, \$275 deductibles, and \$481, which is about 25 percent of drug costs from \$276 to \$2,200. So the total cost is somewhere between \$1,700 and \$2,200 in drugs.

Also, with this gap or what we call the "doughnut hole," the Republicans have left that in this bill, of course. Seniors whose drug costs fall above \$2,200 and \$3,500 will pay 100 percent of the cost. Seniors with \$3,500 in annual drug costs will pay too much.

Mr. Speaker, this is really the beginning of the end of Medicare as we know it. This is an attempt really to dismantle Medicare. We cannot allow that. We must stand up for our constituents. We must stand up for our senior citizens and provide a prescription drug benefit which is helpful, not which is harmful. This bill is not comprehensive, I guess. I mean we have not seen it, but from what we hear, it is terrible and it is very incomplete.

So I think we need to be honest with our senior citizens. It does privatize Medicare. It does begin to dismantle Medicare. It is much too costly for our senior citizens to buy drugs which are already too expensive.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

It is almost comical on the floor for people who claim they have never seen this bill, they know every aspect of it and can criticize it with great flourish and abundance.

We just heard about the rural health care network, and I absolutely represent a lot of rural communities. Mr. Speaker, \$30 billion additionally to fund rural health. Standardized amount for payments. A labor share to help with the labor index in rural communities. The disproportionate share program is increased in our bill. Low-

volume hospitals receive additional payments based on their discharges. Critical-access hospitals have additional benefits. A wage index. Graduate medical education programs. Sole-community hospitals qualify based on some data.

These are all incorporated in this new Medicare reform proposal that will benefit constituents in the gentleman from California's district.

Bonus payments for physician, an increased 5 percent add-on if you are in the rural component. Clinics pay separately for professional services. Rural health care clinics, federally qualified. Low-volume rural ambulance, targets higher payments for ambulances in rural communities. Home health care adds an additional 5 percent.

So these are all funded by our program, including community health centers.

Now, it came up about the \$2,200, the doughnut that they continue to describe. The median recipient on Medicare uses approximately \$2,000 annually in drug utilization costs. That is why we came up with the \$2,200 to cover the majority of Americans. After \$3,600 of drug expenditures, we then pick up 95 percent of the tab for the catastrophically ill.

Now, what the Democrats fail to continue to mention, and I wish they would put their price tag alongside their lofty ideas, is to give drugs to every senior in an unlimited amount without payment, without copayment, without deductible, would be about \$900 billion, almost \$1 trillion. Please, somebody on the other side, advise me where that money comes from, and I will be willing to listen to their proposal.

But in the abstract and failing to offer concrete solutions, they criticize a bill that has been worked on by the Committee on Ways and Means. They should contact some of their Democratic colleagues who serve on the committee with me. They are probably not happy with every aspect of the bill, but they have seen it. We have debated it. We have discussed it. This bill has been around for about 4½ years, no shocks, no nuances, no changes. It has all been part of the debate. Yes, they may object to portions of it, but to claim that somehow we just popped this bill up in the middle of the night belies the 4½ years I have been on the committee working on this and shows little of the knowledge of the very important components that provide relief to a number of their constituents, Democrat, Republican, and Independent alike.

Mr. Speaker, I reserve the balance of my time.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for offering this motion and for yielding me this time.

I just want to say, following up what my colleague, the gentleman from

Florida (Mr. HASTINGS) said, and that is that unfortunately, we now see people who are offering themselves as so-called honest brokers who set up thresholds and tests as to whether this would be a good bill for senior citizens; whether or not this would provide the kind of drug benefit that senior citizens should have and that they need to match the cost of the drugs that they now have to pay the prices that they have to pay, we now see that that organization, AARP, was in the bag all of the time. They were not there representing their members, they were not there representing senior citizens; they were there representing themselves as an insurance company. Now, we see that under the provisions of the bill, they stand to do billions of dollars in business. They do about \$100 million in business now, selling Medigap insurance policies, but now they want to get into the pharmaceutical business.

So they were not an objective observer of this process. They were not there as guardians; they were there as special interests with a special seat at the table. So special that the Republican administration gave them a number of contracts over the last couple of years from the Department of Labor and other agencies in this Federal Government, and now all of a sudden we find out they took a dive on the bill. They did not talk to their Members and say, what should we do. The beltway lobbyists, speaking from their own interests, made a decision to support this bill to the extent now that all day long we have been watching on the news as people have been turning in their membership in AARP, people have been resigning from the organization. I have a letter here from their legislative chairman in Raleigh, North Carolina who says that he is resigning because they were never asked about this. And the fact that they would support a bill as they understand it with the level of benefits, with the privatization of Medicare, they want out. They are resigning. That was supposedly the honest broker that was going between the sides and discussing the merits of this program.

This bill is one thing and one thing only: it is to provide protection to the big pharmaceutical industry. This bill does nothing about price. You can have your discount cards, but it is discounted off an inflated price, and it specifically prohibits the Secretary of Health and Human Services from negotiating price. When asked about why this is in the provision in a meeting today, one of the authors of the bill said because that is the way big PhRMA wanted it. Well, big PhRMA got their way and Mr. Middle America, they got hosed in this operation.

We cannot negotiate like Wal-Mart. We cannot negotiate like Costco. We cannot negotiate like the Veterans' Administration. No. They get to set the price and then somehow we are going to give you a discount off an inflated price. So they did not do any-

thing about price there; all they did was protect the profits of the pharmaceutical industry, and if the seniors get a benefit, they will be lucky. Out of the first \$5,000, they will pay \$4,000. That is not the benefit that the AARP should be fighting for.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

I would just ask Members who are so comfortable with the insurance provided to them through Blue Cross Blue Shield, it is a PPO, it is made out to me, it is a government-wide benefit plan that has a retail pharmacy carrier; it has a mail order if I want; there is a customer service number; I can use it at most hospitals for admission and medical doctors. But surprisingly, it is not the Federal Government, it is Blue Cross and Blue Shield. So if this is so onerous and a disaster waiting to happen, then maybe my colleagues ought to turn in their card. I think they probably would not go without the coverage, and that is what my constituents have been asking for: give me what you have. Let me have choices. Let me have options. Let me decide for myself.

Now, they may be outraged at AARP, but up until last week they were always throwing it in our faces that this was the legitimate group that negotiated for seniors, and now all of a sudden they have racked up this alleged racketeering, mob-style pharmaceutical alliance with big PhRMA. It is just interesting, when they change their viewpoint and decide to support something we are doing, this is evil incarnate. A week ago they were the gold standard of senior care and consideration; today we are going to burn our cards.

So I ask my colleagues to be the judge: is it politics, or is it process? Is it results, or is it claiming credit? As a Member of the Committee on Ways and Means, yes, there is a lot more I would like to do to this bill. But part of the process I have learned is compromise, negotiation, and meaningful steps forward to make results achievable for citizens, the people that pay our salary that send us to work.

When I go home after reviewing this bill and looking at its contents, I know in my heart I can look at seniors, whether they live in Lake Worth, Port St. Lucie, Punta Gorda, Okeechobee; whether they are wealthy or poor, whatever their ethnic background, whatever their family composition, that I will be able to look them in the eye and say, this is a better program than it was last month and last year.

Mr. Speaker, with that I know the hour is late, and I sincerely appreciate, as I have worked with the gentleman from Oregon on a number of issues, and we care deeply about health care; we share common objectives and common goals. But I think the characterization of this bill is overstated in its demagoguery. I think if we look at what is being provided and the full range of services, people should come

away from this bill knowing this is an important, critical first step to providing prescription drug coverage for our seniors. Today, at this hour, seniors have absolutely zero coverage by the Federal Government for prescription drugs.

If there is any indication that what we are about to embark on by those who suggest this is not a benefit, then they have not read the calculation. Just do the math along with me. From \$3,600 to \$5,000, the example used by the gentleman from California, if you spent \$5,000, you are only paying \$900; well, do the math. From \$3,600 to \$5,000 is \$1,400. Your obligation is a 5 percent copay of that. So it does not take rocket science to figure out that is \$70. That means you have \$1,330 of a benefit there alone. If you take the front end, if you take the front end and you look at the deductible and the \$2,200 amount, you are talking about roughly \$900 to \$1,100. So if you add those two together, there is about \$2,430 of benefit for a person that spends \$5,000, not counting the \$600 and the discount card, plus the discounts achieved. So if we reflect on all of those numbers and you hear these numbers thrown around, get out a calculator, we will supply the numbers. It is not that difficult.

My final statement will be to those who say our seniors do not understand enough of what they are doing to be able to figure these new processes or new bills out. Well, do my colleagues know what? The generation I am talking about managed their way through the depression, they survived World War II, they taught us how to ride our bikes and drive our cars. They raised us. They fought wars. They have been able to succeed in life on their own without the Federal Government dumbing them down and acting like they cannot make choices.

The Medicare bill we are about to bring to this floor represents significant, important, fundamental change. It represents increasing opportunity to gain wellness care. It represents prescription drug coverage for the first time in this Nation's history.

The Congress was controlled by the Democrats in 1965, when Medicare was introduced, to 1995 when the Republicans took over and, in that span of time, no prescription drugs were added. So I ask the basic question. I have been working on it since I came to Congress in 1995. We finally have a product on the floor in 2003, a lot later than I would have liked to, but under our majority, with President Bush and the Senate majority in Republican hands, we are about to embark on a wellness Medicare program for the 21st century.

□ 2015

So I appreciate the time of the gentleman from Oregon (Ms. HOOLEY), and I appreciate the House's indulgence.

Mr. Speaker, I yield back the balance of my time.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida (Mr. FOLEY) and I have worked on many issues together. I guess I would like to offer today to work on another issue. Oregon happens to be a very low reimbursement State because we have been very efficient in our health care. I am glad that Florida has a high reimbursement rate. I would just like to be there with them. And our State, because it is a low reimbursement State, I have areas in my district where doctors are filled. Because they lose money every time they take a Medicare patient, they do not want to take anymore. It is not because they do not want to provide the service; it is that they cannot afford to do it. They cannot afford to have 100 percent of their clients Medicare clients because, again, of the reimbursement level.

I urge my colleagues to vote for this motion to direct the millions that the House bill uses for privatization to improving Medicare payments for physicians. Physicians cannot deliver 21st-century medicine to our seniors with payment rates that do not cover the cost of their care.

My motion would address the concerns of doctors across the country and ensure that they are able to treat Medicare patients. Instead of putting the Medicare system in jeopardy through risky and untested privatization schemes, we should protect our constituents' access to care.

I urge my colleagues to support our doctors and their patients and to vote "yes" on the motion to instruct.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HENSARLING). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Oregon (Ms. HOOLEY).

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Ms. HOOLEY of Oregon. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### CONFERENCE REPORT ON H.R. 2417, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. GOSS (during consideration of motion to instruct conferees on H.R. 1) submitted the following conference report and statement on the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the

United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

#### CONFERENCE REPORT (H. REPT. 108-381)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2417), to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2004".

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

#### Sec. 1. Short title; table of contents.

##### TITLE I—INTELLIGENCE ACTIVITIES

- Sec. 101. Authorization of appropriations.
- Sec. 102. Classified schedule of authorizations.
- Sec. 103. Personnel ceiling adjustments.
- Sec. 104. Intelligence Community Management Account.
- Sec. 105. Office of Intelligence and Analysis of the Department of the Treasury.
- Sec. 106. Incorporation of reporting requirements.
- Sec. 107. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.

##### TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

#### Sec. 201. Authorization of appropriations.

##### TITLE III—GENERAL PROVISIONS

##### Subtitle A—Recurring General Provisions

- Sec. 301. Increase in employee compensation and benefits authorized by law.
- Sec. 302. Restriction on conduct of intelligence activities.

##### Subtitle B—Intelligence

- Sec. 311. Authority of Federal Bureau of Investigation to award personal services contracts.
- Sec. 312. Budget treatment of costs of acquisition of major systems by the intelligence community.
- Sec. 313. Modification of sunset of application of sanctions laws to intelligence activities.
- Sec. 314. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.
- Sec. 315. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.
- Sec. 316. Improvement of information sharing among Federal, State, and local government officials.
- Sec. 317. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.