

The provision might have made sense when it was passed by Congress in 1974 as part of a law designed to protect workers' pensions. Most employees were covered by old-style fee-for-service insurance plans and payment disputes took place after health care had been delivered. So a law limiting recovery to the cost of care did not hurt anybody. But today, more than 80 percent of workers are in managed care plans that actively direct what treatments parents received.

Unfortunately, despite efforts in Texas and a few other states to find ways around this law, the gaping liability loophole is not likely to be closed nationwide any time soon unless Congress acts.

Insurance and business groups have mounted an aggressive fight against a version of the Patients' Bill of Rights that allows patients to sue. They say opening up HMOs to lawsuits will result in a flood of litigation and kill cost control by doing little to improve quality care.

But in Texas, where these same groups made all the same arguments, the reality is far from different.

No flood of lawsuits. Only a handful of cases have been filed against HMO plans in Texas since the challenge to the law was overturned last fall. This is due, in part, to another feature of that 1997 law, which requires swift independent review of disputes.

Rates have not shot up. In the two years since the law was passed, HMO premiums in the state are almost exactly where they stood in 1995. Cost increases in Dallas and Houston were below the national average last year.

Quality may be improving. News accounts from Texas suggests that HMOs, now accountable for their decisions, are more careful making

those decisions.

Doctors report health plans are less likely to drag their feet, for instance, and less likely to deny treatments doctors believe are needed.

There's no reason to believe a national law would produce any different results, continues this editorial.

Studies by the Congressional Budget Office and the nonprofit Kaiser Family Foundation find HMO liability would produce negligible premium hikes. Only industry-sponsored studies find otherwise.

Lawmakers would do well to look at the facts before leaving this critical patient right on the cutting room floor.

Mr. Speaker, I do not think we should hesitate about having HMOs be responsible, despite the fact that the HMO industry has spent more than \$100,000 per Congressman lobbying against a strong Patients' Bill of Rights. Surveys show that, despite all that advertising, that money spent on advertising by the insurance and HMO industry for the last 2 years, there has been no significant change in public opinion about the quality of HMO care.

Despite tens of millions of dollars of advertising, a recent Kaiser survey shows no change in public opinion: 77 percent favor access to specialists, 83 percent favor independent review, 76 percent favor emergency room coverage, 70 percent favor the right to sue one's HMO. Other surveys show that 85 percent of the public think Congress should fix these HMO abuses.

If these concerns are not addressed, I think the public will see examples like this, and they will ultimately reject the market model as it now exists. However, if we can enact true managed care reform such as that embodied by my own Managed Care Reform Act of 1999 or the Dingell or the Norwood bills, then consumer rejection of a market model will be less likely.

Common sense, responsible proposals to regulate managed care plans are not a rejection of the market model of health care. In fact, they are just as likely to have the opposite effect. They will preserve the market model by saving it from its own most irresponsible and destructive tendencies.

Mr. Speaker, let us pass real HMO reform. Let us learn from States like Texas. After all, is it not Republicans who often say that the States are the laboratories of democracy? Yes, let us have some insurance tax incentives. But let us be very careful about repeating some mistakes that have been made with ERISA in the past that led to fraud in regards to association health plans.

Finally, the Speaker of the House told me before the July 4th recess that it was his intent to have HMO reform legislation on the floor by the middle of July. Well, Mr. Speaker, here we are. According to my watch, it is now the middle of July, and we have no date yet even for a full committee mark-up in the House of Representatives. Why? Well because it is not clear that another HMO protection bill could make it through committee. Too many Republicans and Democrats of each committee want to see some real reform to prevent this type of tragedy, real reform, not a fig-leaf piece of legislation.

I think there are even majority votes in both the Committee on Education and the Workforce and the Committee on Commerce for strong medical necessity and enforcement measures. Maybe that is the reason why the committee chairmen are not moving ahead. Maybe that is why the leadership of this House is not telling them to get their act in order, get this to the floor.

Well, the Senate is debating HMO reform this week. So let us see what happens there.

I think today the Washington Post called it about right when it referenced the GOP Senate bill. It said, "The Republican bill professes to provide many of the same protections, but the fine print often belies its claims. Among much else, it turns out to apply only to some plans and to only about one-fourth as many people as the Democratic bill would cover."

The Post then talked about the GOP criticisms of the Democratic bill, "Critics say that the Democratic bill, by weakening the cost-containment industry, would drive up costs." The Post continues, "Our contrary sense is that, in the long run, it would strengthen

cost containment by requiring that it be done in a balanced way", exactly the sentiments that I expressed a few minutes ago.

Today the Washington Post closed that editorial by saying, "The risks of increased costs tend to be exaggerated in debate. The managed care industry says that, by and large, it already does most of the modest amount this bill would require of it. If so, the added cost can hardly be as great as the critics contend."

Mr. Speaker, when we are talking about the cost for a strong Patients' Bill of Rights, we are talking about something in the range of \$36 per year for a family of four. Is that not worth it to prevent an HMO tragedy like happened to this little boy?

Mr. Speaker, please keep your promise. By next week, we should have debated HMO reform in full committee, and we should be headed to the floor. Is that going to be the situation? Or is it the Speaker's intention to try to limit debate on this important issue by putting it right up against August recess, when Members have planned vacations with their families, in order to limit debate.

Well, Mr. Speaker, if that is so, it will be seen for what it really is, a cynical abuse of scheduling because the leadership of this House really does not want a full debate on protecting patients. Mr. Speaker, I hope that is not the case. The victims of managed care and their families are watching.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GARY MILLER of California). The Chair will remind all Members to refrain from references to the Senate including the characterization of Senate action and the urging of the Senate to take certain action.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. BALDWIN (at the request of Mr. GEPHARDT) for today after 5:30 p.m. and Wednesday, July 14 when on account of illness in the family.

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for today on account of official business.

Mrs. THURMAN (at the request of Mr. GEPHARDT) for today on account of illness in the family.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)