

families to exclude from taxable income payments they receive to cover the additional expenses incurred for caring for the individual. Unfortunately, the exclusion depended on a complicated analysis of three factors: the age of the foster care individual, the type of foster care placement agency and the source of the foster care payment.

Congress revisited the tax treatment of foster care payments in 1986. Although the process was simplified to an extent, some families were still left out. Those families could only receive a tax deduction if they maintained detailed expense records to support such deductions.

Under the Fairness for Foster Care Families Act, foster care providers would avoid this burdensome record keeping process. This bill guarantees that the payment is tax-free regardless of the age of the foster care individual or the type of agency that places the individual provided that the agency is licensed and certified by the State.

I hope my colleagues will join me in supporting this legislation.

HAPPY 300TH ANNIVERSARY TO
THE SIKH NATION

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1999

Mr. DOOLITTLE. Mr. Speaker, Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, has brought it to my attention that on April 13, the Sikhs will be celebrating their 300th anniversary. Sikhs have been significant contributors to America in several sectors of life, but their anniversary is significant for another reason. The Sikh Nation is currently one of several nations struggling to reclaim its freedom from Hindu India.

It is an interesting coincidence that April 13, the Sikhs' anniversary, is also the birthday of Thomas Jefferson, the author of our Declaration of Independence. This symmetry of events highlights the Sikh Nation's desire to be free. It is time that the Sikhs enjoy the freedom that we enjoy here in America.

In the Declaration of Independence, Jefferson wrote that all people "are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it." In India, the government allows 70,000 Sikh political prisoners to rot in jail without charge or trial, some since 1984. They should be released on or before April 13 as a goodwill gesture. Instead, I fear that even more Sikhs will be endangered as "democratic, secular" India tries to maintain what it calls its "territorial integrity."

In the spirit of Jefferson, let the 300th anniversary of the Sikh Nation be an occasion to do whatever we can to support the Sikhs and the other nations of South Asia in their struggle to live in the glow of freedom. By stopping U.S. aid to India (which is one of the top five recipient countries) until human rights are universally respected, by declaring our support

for self-determination through a free and fair plebiscite, and by imposing the same sanctions on India that we would impose on any other religious oppressor, we can share the blessings of liberty with the people of South Asia. This is the best thing that we can do to celebrate this important occasion with the Sikh Nation.

THE AMERICAN HEALTH SECURITY
ACT OF 1999

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1999

Mr. McDERMOTT. Mr. Speaker, I rise today to once again introduce the American Health Security Act. The single payer plan I propose is the only plan before Congress that will guarantee health care universality, affordability, security and choice.

While this Congress lacks the political will to enact comprehensive health reform, the underlying needs for reform remain prevalent: health care costs are more unaffordable to more people and the number of people without health insurance continues to rise. These problems are compounded by increasing loss of health care choice and autonomy for those people who have insurance leading to disruptions in care and in relationships with providers.

The American Health Security Act I am introducing today embodies the characteristics of a truly American bill. It will give to all Americans the peace of mind—the security—to which all citizens should be entitled. It creates a system of health care delivered by physicians chosen by the patient. No one will have to leave their existing relationships with their doctors or hospitals or other providers. It is federally financed but administered at the state level, so the system is highly decentralized. And it provides new mechanisms to improve the quality of care every American receives.

The American Health Security Act (the Bill) provides universal health insurance coverage for all Americans as of January 1, 2000. It severs the link between employment and insurance. The federal government defines the standard benefit package, collects the premium, and distributes the premium funds to the states. The states, through negotiating panels comprised of representatives from business, labor, consumers and the state government, negotiate fees with the providers and the government controls the rate of price increases. The result is health care coverage that never changes when your personal situation does, never requires you to change the way you seek health care, and never causes disruption in your relationships with your providers.

The bill provides the coverage under a mechanism of global budgets to achieve controllable and measurable cost containment that will yield scorable savings over the next five years. Unlike other single-payer proposals of the past, it provides for almost exclusive state administration provided the states meet federal budget, benefit package, guarantee of

free choice of provider, and quality assurance standards. This bill explicitly preserves free choice of provider by providing a mechanism for fee-for-service delivery to compete effectively with HMOs. It will not force Americans into HMO models.

The insurance mechanism of the American Health security Act is easy to use and understand. Quite simply, a patient visits the doctor or other provider. The provider then bills the state for the services provided under the standard benefit package and the state pays the bill on the patient's behalf, just as insurance companies pay medical bills on the patient's behalf now. The difference is that complicated and expensive formulas for patient co-payments, coinsurance, and deductibles in addition to premium costs are eliminated.

The standard benefit package is in fact extremely generous. It covers all inpatient and outpatient medical services without limits on duration or intensity except as delineated by outcomes research and practice guidelines based on quality standards. It provides for coverage of comprehensive long-term care, dental services, mental health services and prescription drugs. Cosmetic procedures and other "frill" benefits such as private rooms and comfort items are not covered.

The extent of state discretion is substantial. The federal budget is divided into quality assurance, administrative, operating, and medical education components. The system is financed 86% by the federal government and 14% by the states. That federal pie is then apportioned among the states. For example, states with large elderly populations can be expected to require a larger volume of higher intensity services and will receive a larger federal contribution. However, the states are free to determine how that money is allocated among types of providers and to negotiate those allocations according to the state's individual needs, provided federal standards are met. The ability of HMOs to operate and compete on a capitated basis is preserved.

The states must demonstrate the efficacy of their methodologies or federal models will be imposed. However, states are not required to seek waivers in advance. While the federal government will not make separate allocations to states for capital and operating budgets, the states are free to allocate capital separately to assure adequate distribution of resources throughout the state and to develop their own mechanisms for doing so.

The financing package reflects the CBO scoring of this bill's predecessor, H.R. 1200, in the 103d Congress. The numbers were provided by the Joint Committee on Taxation (JCT) on the basis of the CBO scoring. Accordingly, the bill is fully financed. In fact, JCT estimates that the American Health Security Act will lead to deficit reduction approximating \$100 billion per year by the year 2004.

Everyone will contribute to the health insurance system, except the very poor. Employers will pay 8.7% of payroll and individuals will pay 2.2% of their taxable income. A tobacco tax equal to \$0.45 per cigarette pack is also imposed. These payroll deductions are lower than current insurance costs for most businesses and individuals, even while providing universal coverage and a more generous benefit package than exists in the private market