

PRICE CONTROLS DO NOT WORK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, I rise today to talk about prescription drugs. There has been a lot of talk lately about how expensive they are and how many people who need them cannot afford them. I understand these concerns, but like my colleagues, while I want to make sure that our constituents have greater access to prescription drugs, I am concerned about the debate that is evolving about prescription drugs here in the House.

Fixing drug prices could very well mean reducing discounts to the veterans and other Federal purchasers. In fact, a GAO study concluded that expanding access to the reduced prices could lead in fact to higher prices. This is what price controls do. The larger the market, the greater the economic incentive to raise prices to limit the impact of giving lower prices to more purchasers. That makes sense.

Ultimately that move, Mr. Speaker, could put veterans' access to health care at risk. While this type of legislation, these legislative initiatives that are coming here, could put the veterans' health care at risk, there is no guarantee that it will significantly reduce the cost of medicine for Medicare beneficiaries.

Therefore, I believe we need to figure out how to expand insurance coverage for drugs, not attempt to give the government the ability to fix prices. Price controls never work. All they do is reduce supply or eliminate discounts that are available to some. We have all seen this idea before. Their great idea, the people advocating price controls for prescription drugs, is it will expand the government discount for everyone, give everybody a chance for lower prices, and everyone will have access for cheap drugs. That is the basic appeal. But, my colleagues, that is socialism. Let us not forget who is getting the benefit of these discounts, and of course, we could put others at risk who are now getting them.

Last year there was a misguided attempt to expand the Federal supply discounts to State and local governments also. The Department of Veterans Affairs estimated that by expanding these discounts so broadly that makers of drugs would be forced to respond by reducing or eliminating the discounts they give to the Veterans Administration. The VA estimated this proposal would cost them as much as \$250 million, or it would equal the cost of providing care to 50,000 veterans. And just so that we all understand, Mr. Speaker, if the drug companies are no longer able to give large discounts to the veterans, it means those very discounts will not be available to Medicare beneficiaries.

I believe we should be doing everything we can to help Medicare beneficiaries improve access to the drugs they need, but not through price controls. One of the easiest things that could be done right away is for the administration to move forward on regulation to expand Medicare Plus Choice plans. Because of the way the current Medicare managed care plans are paid, many areas, including portions of my district, do not have managed care plans available to them.

By simply enacting the Medicare Plus Choice program as part of the Balanced Budget Act of 1997 that we passed, Congress sought to expand Medicare beneficiaries' access to prescription drugs by allowing them to join HMOs that offer these benefits. Congress' goal in the Balanced Budget Act was to extend to Medicare beneficiaries the same range of choices that exist for all working Americans. Choosing between competing health care plans provides greater promise than price controls, giving them greater access. It is better than telling the pharmaceutical companies that they have to meet a price.

Mr. Speaker, the administration should no longer delay in expanding access to these plans. There was a bipartisan commission that developed a proposal that is really worth more discussion. It said that we should figure out how Medicare beneficiaries can take advantage of the change in health care delivery benefiting every privately insured person, including Members of Congress. That is the Federal Employee Health Benefit Program. We have discount pharmaceutical drugs. Why not adopt a program like the Federal Employee Health Benefit Program, something that we all have, Mr. Speaker, and the President and the Senators?

So why are we talking about this? We should stop talking about socialized medicine and the age-old false hope of price controls that have never worked.

Medicare beneficiaries need more from their Members of Congress than false promises of cheap drugs through price controls. We need to help them gain access to affordable prescriptions through insurance coverage and the truly effective price competition of an active marketplace. We also need to make sure that whatever reform we pass does not hurt those to whom we owe a great debt: veterans. Veterans should not be put at risk to give someone in this body a political win.

Mr. Speaker, I am certain we can find an answer that will help our Nation's senior citizens while at the same time protecting our veterans.

RECESS

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

Accordingly (at 12 o'clock and 42 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PETRI) at 2 p.m.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

With gratefulness and praise we begin a new week imploring Your mercy upon us, O God, and seeking Your blessings. We especially pray for those who have committed themselves to the work of ending hostilities in our world, and we pray for all those who seek to alleviate suffering or hunger or loneliness. For all those who are involved in bringing food to the hungry, shelter for the homeless, a comforting word to those who are alone, we offer these words of thanksgiving and appreciation.

Bless, O God, those good people who in our own communities or in the world are agents of reconciliation and messengers of peace. For them we offer our prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker pro tempore's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

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

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. KUCINICH) come forward and lead the House in the Pledge of Allegiance.

Mr. KUCINICH led the Pledge of Allegiance as follows: