

and address the need to bring fairness to the Tax Code when it comes to marriage.

You know, you think about it, our Tax Code has the incentives in the wrong place. We should be working to strengthen society's most basic institution. We can do that by eliminating the marriage tax penalty.

My hope is over the next 2 weeks we will be able to garner overwhelming bipartisan support to send with a strong message to the Senate our desire to eliminate the marriage tax penalty. I appreciate the comments of Chairman ROTH of Delaware, who has been a real leader in working to bring tax relief for middle-class families.

Again, as I pointed out earlier, Chairman ROTH, chairman of the Senate Finance Committee, praised the gentleman from Texas (Chairman ARCHER) for the speedy start to open this issue. Of course, Mr. ARCHER is chairman of the House Committee on Ways and Means, part of our leadership here in the House. Chairman ROTH indicated he intends to move shortly over the next few months similar legislation to eliminate the marriage tax penalty.

Let us keep this legislation on a fast track. There are 28 million married working couples, 56 million hard-working married people that are out there who need help. They need fairness in the Tax Code as it affects married people. We want to help them.

My belief is we have a tremendous opportunity, a clean stand-alone effort to eliminate the marriage tax penalty. It deserves overwhelming bipartisan support. It deserves to be signed into law. It is all about fairness.

Let us bring fairness to the Tax Code. Help couples such as Michelle and Shad Hallihan, public school teachers in Joliet, as well as 28 million other working couples, by eliminating the marriage tax penalty.

□ 2000

I thank the Speaker for the opportunity to address this House and our efforts to eliminate the marriage tax penalty and bring fairness to the Tax Code.

PATIENTS' BILL OF RIGHTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I would mention that I do not plan to use all of the time this evening that is allotted to me, but I do want to spend some time talking about the Democratic health care initiatives, particularly by reference to the President's State of the Union address last Thursday night where he outlined many of the Democratic health care initiatives, some of

which have already had debate and been discussed extensively by me and by other Members of this House, others of which are somewhat new.

I would start out by pointing out that the Democrats and myself, we feel very strongly that the time has come to deal with three key health care issues. I do not say this because it is the Democratic agenda; I say it because I think it is America's agenda. These are the concerns and the problems that need to be dealt with, that I hear from my constituents in New Jersey in my congressional district, as well as from my colleagues here in Washington, D.C. on both sides of the aisle, when they come back, particularly from this 2-month period, this district work period or recess that we were in, and a lot of us had forums, a lot of us got input from our seniors, from our senior citizens, as well as from a lot of other people, and we are here back fresh for the second session of this Congress but we need to address these health care concerns.

Let me detail the three concerns that I have. First of all, it is time to pass the Patients' Bill of Rights, the HMO reform. We went for a year, the last session in 1999, trying to push the Patients' Bill of Rights, and we finally did get it passed in the House of Representatives, but it still has not passed, or a strong bill, I should say, has not passed in the Senate. It is now in conference between the two Houses, between the House of Representatives and the Senate, but we still have not had a meeting of the conference so that we can move forward in trying to adopt good HMO reform to deal with abuses of HMOs that are basically set forth in the Patients' Bill of Rights. We need to pass that. That is number one, and I will talk a little bit more about it later.

Number two, we need to address the problem of prescription drugs for seniors. Concerns about health care cross all generational lines and all class and income lines, but for seniors in particular the lack of a benefit under Medicare for prescription drugs, and the majority of the seniors do not have that kind of a benefit, is a particular problem because when I am in my district, or the forums in my district office, so many seniors call me or will come up to me and some of them will say they have prescription drug benefits but it is not sufficient, and the costs continue to escalate and they simply cannot afford it. So they either go without the drug or they take less than they are supposed to or they try to spread it out in some way.

This is not the way we should operate. Prescription drugs are a preventive benefit that should be provided under Medicare. Of course, the President talked about that as well and I will talk a little bit about it tonight.

The third health care issue, though, and concern that needs to be addressed

is access for the uninsured. Since I have been a Member of Congress, and particularly in the last 5 years, the number of Americans who are uninsured who have no health insurance continues to skyrocket. It is about 45 million Americans now that have no health insurance, and keep in mind that these are pretty much middle class working people, because if you are poor enough to fall below a certain income you are eligible for medicaid. If you are a senior, regardless of income, you are over 65, you are eligible for Medicare, but if you are a working person whose income is just above the line for medicaid and you are not a senior citizen then you do not have any guarantee of health insurance.

What is happening increasingly is a lot of people simply do not get health insurance as part of their employment.

Years ago, most Americans, if they were working, their employer provided some sort of health insurance where the employer would pay part of it and the employee would pay part of it, but increasingly that is not the case. So we have about 45 million uninsured Americans, mostly working Americans, who simply do not have the ability through their job to get access to health insurance and we need to do something about it. The President has addressed that as well, and it is part of our Democratic agenda.

Now, let me take these in order and spend some time on each of these issues, if I can tonight, Mr. Speaker. First of all, I want to go back to HMO reform and the Patients' Bill of Rights. No one is suggesting that HMOs are a bad thing. We know that in many cases HMOs have actually helped to bring down the costs of health insurance. The bottom line is that there are many cases where there have been excesses or abuses within HMO networks, and oftentimes that manifests itself in that a physician will say to a particular patient that they need a particular operation or a length of stay in the hospital, or have to go to a particular provider or particular hospital or specialist for care.

The HMO does not allow it, either because there are certain types of operations that the HMO just will not pay for or they will say that you can only stay in the hospital a certain number of days for a certain procedure even though your physician thinks that you need to stay longer, and we have had people actually become very ill, even die, because of the denial of care in those abusive situations.

Well, we as Democrats put together a bill called the Patients' Bill of Rights. I am not saying that it is strictly a Democratic bill. We had some Republicans that cosponsored the bill and certainly some Republicans that voted for the bill when it was passed here in the House of Representatives, but unfortunately the Republican leadership

in the House did not support the Patients' Bill of Rights and they continue to create problems in terms of its going to conference.

We heard from the Republican leadership I think a week or two ago that they say now that they will hold a conference, but it has not been held yet and the problem is that the conferees that the Republican leadership have appointed to this conference, even if it is held, are not people that support the Patients' Bill of Rights. They are specifically those who said that they would not support the Patients' Bill of Rights.

Well, what does the Patients' Bill of Rights do? Let me just give some indication of what this is all about and how it corrects some of the excesses or abuses with regard to HMOs. I am going to mention a few things with regard to access. One is emergency services. Individuals are assured under the Patients' Bill of Rights that if they have an emergency those services will be covered by their plan. The bill says that individuals must have access to emergency care without prior authorization in any situation that a prudent layperson would regard as an emergency.

So if you are the average guy and you feel that you have chest pains and that you need to go to the hospital and the emergency room because you think you might be having a heart attack, well, that is the average or prudent layperson. If you have to go to the nearest emergency room, even if the HMO says that that is not where you go and that is not one of the hospitals that are covered, they have to pay because it was an emergency. That is what the bill says.

Specialty care, Mr. Speaker, under this bill patients with special conditions must have access to providers who have the requisite expertise to treat their problem. The bill allows for referrals for enrollees to go out of the plan's network for specialty care at no extra cost to the enrollee if there is no appropriate provider available in the network for covered services. For individuals who are seriously ill or require continued care by a specialist, plans must have a process for selecting a specialist as a gatekeeper for their condition to access necessary specialty care without impediments.

So what we are saying here is if the HMO does not have a specialist that you need to handle your particular situation, then they have to pay for you to go to another specialist, and if you have the type of condition where you need to go to a specialist on a regular basis, you do not have to go to the primary care physician for a referral to that specialist every time. You just get basically registered with a specialty doctor and you continue to go to her or him.

Now those are some of the examples. I mean, there are a lot of others. I

think one of the worst abuses that I know of is what they call the gag rule, where HMOs will write into their contract that if they do not provide a particular operation or service your physician cannot talk to you about it. In effect, he or she, your physician, is gagged from telling you what kind of procedure or operation you really need because the HMO will not cover it.

Well, that obviously needs to be eliminated. One of the provisions in our Patients' Bill of Rights says there cannot be any gag rules.

Let me go into some of the other areas. I had a number of senior forums in my district during the recess in December and January and a lot of them complained about not having adequate information provided by the HMO, that they do not even know what is covered, they do not know what physicians are in the network, they do not know basically what their insurance provides. Well, in the Patients' Bill of Rights, we say that managed care plans have to provide information so the consumers understand their health plan's policies, procedures, benefits and other requirements.

That may seem like it's not important, but I think it is very important. Also important, and I want to stress, is the grievance and appeals procedure. Right now if an HMO turns you down for a particular operation, how do you appeal that decision if you feel that that decision by the HMO was a wrong one? Well, with great difficulty, I should add. Oftentimes the HMO will have you go to an internal review board with members appointed from their own staff and so when you appeal you have no chance. Well, what we say in the Patients' Bill of Rights is that there has to be an internal appeal that basically is not influenced by the HMO, and then there has to also be an opportunity to go outside the internal review process within the HMO to an outside board that can make a decision to overturn the HMO's decision independent of the HMO, an external appeal.

Beyond that, though, there is also the opportunity to sue. One of the complaints that we hear from some of the opponents of the Patients' Bill of Rights is that it allows people to sue because right now if you fall under the Federal preemption under ERISA because your health plan is provided by an employer who is self-insured, which there are a lot in this country, you cannot sue the HMO. The Federal law prohibits you from suing the HMO. We eliminate that provision and say that if the reviews that I mentioned, internal and external, fail, that you have the option to go to court and sue to overturn the HMO's decision, which I think is a very valuable reform and protection, patient protection, under the Patients' Bill of Rights.

I do not want to continue to go on about the Patients' Bill of Rights and

provide more details because I know that we have done that many times. I have talked about it many times. I think the time now is for action. The Republicans are in the majority. They control the agenda. They need to have a conference on the Patients' Bill of Rights. They need to have the conference include both Democrats and Republicans, and mostly including the people that supported the House version that actually passed here in the House of Representatives, and they need to act expeditiously so that we can get a bill out of conference and to the President that is actually a strong bill that protects patients' rights.

We will continue as Democrats to say over and over again that this must be done over the next few weeks, as we begin this new session of the Congress.

Now, let me, Mr. Speaker, if I can, move on to the second health care issue that I said earlier this evening is so important and again that the President addressed in his State of the Union address, and that is the issue of prescription drug benefits under Medicare.

When Medicare was started in the 1960s, when President Lyndon Johnson proposed it, prescription drugs were not that important. Medicare was started in the sixties primarily because of the huge costs of hospital care, and people did not rely on medication or prescription drugs so much as a preventive measure the way they do today, but yet now 30 years later we all understand why prescription drugs are needed and they are such a big part of our health care, not only in terms of our condition and whether we are going to be well and be active and not get sick, but even more so they take a big bite out of your budget if you have to pay for them privately.

We know that some people do get prescription drugs as part of Medicare. If they are in an HMO, the HMO might provide some coverage, but what we find is that increasingly more and more of the HMOs that were providing coverage for prescription drugs are cutting back, charging more in terms of copayments or even a premium, to the seniors that are enrolled in the HMO.

We still have a lot of seniors who are in the fee-for-service program, not part of an HMO. Some of them may have what we call Medigap, supplemental coverage that they pay for privately, that would include prescription drugs but again that is becoming increasingly prohibitive.

□ 2015

The costs keep rising, the coverage keeps diminishing. So even if you have a prescription drug benefit as part of Medicare or because you have a Medigap policy, you find yourself increasingly paying more and more money out of pocket.

Some people, if they have no benefits, are paying \$1,500, \$2,000, \$2,500 a

year for prescription drugs, and they simply cannot afford it.

The easiest way to deal with this problem is to include it under Medicare as part of the basic benefit package and pass legislation that would accomplish that. I also think that it is important, though, that when we pass that legislation and that when we consider that legislation, that we put in some provision that allows for a better price negotiation, because right now what we find is that seniors that are not part of an HMO and who have to go buy a prescription at the drugstore themselves, even if they have some coverage under MediGap or whatever, they are paying exorbitant prices for the prescription drugs, way out of proportion to what they would pay if they were in an HMO or had some other way to negotiate a price on a large volume basis. So the bill, when passed, needs to address that price discrimination issue as well.

I just wanted to mention the President's proposal. The President has a very good Medicare prescription drug proposal. It is not the only one out there. I have one myself. There are other Members of the House on the Democratic side that have different proposals out there. But Democrats are united in saying that we want to have this benefit, that we support the President, that we need a prescription drug benefit under Medicare, and we need it now because of the crisis that we see out there.

Let me just talk a little bit, if I can, about the President's initiative in this regard. What he does, what he proposes, is establishing a new voluntary Medicare part D prescription drug benefit that is affordable and available to all beneficiaries. This is voluntary. This is like Part B. Part A is your hospitalization, Part B takes care of your doctor bills. This would be a new part D, again voluntary, where you pay so much of a premium per month and you get a certain prescription drug benefit. You do not have to do it if you think you have other options that are better for you.

What the President's drug benefit would provide is that there would be no deductible, but you would pay for half of the drug costs from the first prescription. So basically what the government would do is they would pay for half of the prescription drug, and that would begin with the first prescription that is filled. This would be up to \$5,000 a year in spending when it is fully in place.

In other words, if you incur drug bills up to \$5,000, half of it would be paid by Medicare, and it could be as little as \$10 or \$20, if that is all it costs over the course of the year, and half of that would be paid by Medicare.

The President's proposal would also ensure beneficiaries a price discount similar to that offered by many employer-sponsored plans for each pre-

scription purchased, even after the \$5,000 limit is reached. Again, there is going to be a price discount because you are going to be part of this Medicare program where the government or the intermediary can actually negotiate a better price for you.

The cost is about \$24 per month beginning in 2002 when the coverage is capped at \$2,000, and would rise to about \$44 per month when fully phased in in about 6 to 7 years when the total benefit can go up to \$5,000 in prescription drugs, which is about comparable to what we pay now for Part B for the doctor bills in terms of the premium.

Just like now in Part B for doctor bills, people who are at lower incomes at a certain level pay no premium. People who are a little above that lowest level pay part of that \$44 a month premium. So we would ensure that beneficiaries with incomes below 135 percent of poverty, \$11,000 for a single individual, \$15,000 for a couple, would not pay anything for cost-sharing. People who are a little above that income would phase in and pay some of the premium but not all of it.

I do not want to go into more detail about this, Mr. Speaker. I just think it is a very good proposal. As I said, it is not the only proposal out there. But as Democrats, we are united in the idea that we need to have a Medicare prescription drug plan, because the crisis in terms of constituents and Americans being able to pay the bill and foot the bill is way out of line. I just do not want to see more people not take prescription drugs when they need them because they cannot afford to pay for them.

Let me go to the third issue I want to mention this evening with regard to health care, and again, part of the Democrats' agenda with regard to health care, and also something that the President talked about in his State of the Union again last Thursday night. This is the problem with access for the uninsured.

The number of uninsured continues to rise. I think I gave the figure of about 45 million Americans now that have no health insurance; working families, people that go out every day and work one, two, or sometimes more jobs, but do not have any coverage through their employer and cannot afford to pay for it privately.

Mr. Speaker, we know that when President Clinton was first elected to office going back I guess 7 years now he had put forward a comprehensive universal health care plan. That was shot down. I do not want to go into tonight whether it was a good or a bad plan or how people felt about it. Frankly, I thought it was a very good plan. I would have supported it. I think if it had been put into place, we would not have this 45 million uninsured and the number of uninsured continuing to rise every day if this had been put in place

6 or 7 years ago the way the President wanted it. But politically it was not possible to do so. The insurance companies attacked the President's proposal. The Harry and Louise ads were on TV. Basically, the proposal died. It never even came up on the House floor, on the Senate floor.

Ever since then, those of us who have been concerned about the problems of the uninsured on the Democratic side have been trying to sort of look at the target groups, the key groups within that 45 million uninsured people that perhaps we can help without moving into a universal coverage system which politically is simply not saleable at this point.

We started out targeting a number of different groups, most notably a couple of years ago children, because a big percentage of that uninsured group were children. We put in place the Kids Care initiative. We came out of the Health Care Task Force, which I co-chair. We convinced enough Republicans to go along with it, and almost all, I think every Democrat voted for it, and enough Republicans to get the majority, so we passed the Kids Care initiative.

What we find is that, although we have addressed the problems of some of the children, we still have a lot of children that remain uninsured. Then we have a lot of parents of those children who are uninsured, because usually if a person is working and they get health care on the job, they can get their children covered as part of that policy. But the bottom line is that those parents that have uninsured children who have signed up for the Kid Care program, it is called CHIP, are usually uninsured themselves.

What the President has said is that initially what he wants to do, and this is part of the Democratic agenda, is try to expand the coverage for as many children as possible by expanding the eligibility for the Kids Care initiative, and also going out and trying to reach kids that may be even eligible for Medicare, which is at a lower-income bracket than Kids Care, and make sure that they get signed up, because we know that so many of them have not signed up for Medicaid or for the Kids Care initiative, even though they are eligible for it.

So there is an outreach component here among the Democrats' agenda, and there is also the component to raise the income level so that more children who are uninsured would be eligible for the Kids Care initiative.

Then the President and the Democratic agenda goes one step further. It says that a big part of this 45 million people who are uninsured is not only the children but their parents, as I mentioned before. Let us allow parents also to opt into the CHIP program. If they have children who are uninsured and are now signed up for it, let them

sign up for it as well. The President provides in his State of the Union message and will provide in his budget for exactly that.

Just to give an idea, some statistics, over 80 percent of parents of uninsured children with incomes below 200 percent of poverty, which is about \$33,000 for a family of four, and I want to stress that, we are not talking here about people that are on Medicaid, we are talking about a family of four making \$33,000 a year. Some people would not consider that poor, but the bottom line is that a great percentage of those families do not have access to health insurance, even though they are working, because they cannot get it on the job and they cannot afford to buy it privately.

There are about they estimate 6.5 million uninsured parents with incomes in the Medicaid and the CHIP, which is the Kids Care, eligibility range for children, and what the administration does, what the President does in his budget is he creates a new family care program. It basically provides higher Federal matching payments for State coverage of parents of children eligible for Medicaid or the CHIP program.

Under family care, parents would be covered in the same plan as their children. States would use the same systems and follow most of the rules as they do in Medicaid and CHIP today, and the program would be overseen by the same State agency. There would be a match that is provided here. States would have to cover a certain percent and the Federal government would provide a certain percent.

I just think this is so important, because again, I was listening to my colleague earlier on the Republican side who was talking about the marriage tax penalty. I agree that the marriage tax penalty should be eliminated, and hopefully we will do that over the next couple of months here.

The bottom line, however, is that more important, really, to a family which has parents who are working, a working family, is the fact that they need health insurance, because if they do not have health insurance and they get sick, then they are basically dependent upon going to the emergency room, incurring huge bills that they probably can never pay, and this is not the way we should operate in this country today with the economy being the way it is and with the people that are working and trying to make a living.

I think that the President's initiative not only for expanding it for children but also for parents is really so important.

The other thing that I have not mentioned but I want to with regard to access to health care for the uninsured is that if we look at this 45 million people who are uninsured, I mentioned the

kids initially, then I mentioned the parents of those children who are uninsured, another huge block of people are what we call the near elderly. These are people probably between the ages of 55 and 65 who are not eligible yet for Medicare but who basically are uninsured, either because maybe they were married to a spouse who had health insurance on the job but then that spouse died, so they do not have any health insurance themselves, or they were laid off, or they took an early retirement that did not provide health benefits.

What we find is that there are just a huge number of people between that 55 and 65 age range for whatever reason that are still not eligible for Medicare because they are not old enough, but find themselves without health insurance, either because they are not working or because their spouse died and they do not have it, and they have no way of buying health insurance privately because it is too expensive and they do not make enough money.

A couple of years ago, I think it was not this year but in the previous State of the Union Address, or maybe even prior to that, President Clinton proposed a Medicare buy-in for those individuals. In other words, we would figure out what the cost per month for the Medicare program is to the Federal government, and they would be able to simply purchase Medicare at that cost, which I think the President has estimated is somewhere between \$300 and \$400 a month.

I always thought that was a great idea, but the problem is for a lot of these people \$300 to \$400 is prohibitive. They cannot afford it.

There are different ways of trying to deal with that. I had advocated some kind of sliding scale subsidy for those individuals. The President in his State of the Union Address last week talked about using a tax credit as a way of helping these people so they could address and buy into Medicare.

What he basically says is that in order to make this buy-in more affordable, the President proposes a tax credit equal to 25 percent of the premium for participants in the Medicare buy-in.

□ 2030

I think that is good. Let me say this, the Congress has not addressed this at all. The House of Representatives has not considered this in committee, it has not come to the floor of the House.

So once again I call on my Republican colleagues who are in the majority to bring up the Medicare buy-in for the near-elderly and allow it to come to the floor, because I think it will pass if it comes to the floor. Number one, we have to allow the buy-in, which is not the law; and number two, we have to find a way through either a tax credit, as the President has proposed, or some subsidy to make it possible for more people to afford that buy-in. But right now, we do not have it at all.

So, again, access to health insurance coverage. What do we do? Address the problem with kids more extensively, address the problems of the parents of the kids, and the problem of the near-elderly. But the President and the Democrats have gone even further. We have 45 million Americans uninsured. If we are not able to cover all of them through some universal system, then we have to address it piecemeal.

Again, how have most Americans been covered traditionally? Through their employer. Unfortunately, the number of employers percentage wise that offer health insurance has decreased. But if we can create some sort of incentive so that those employers once again will offer health insurance, particularly the small businesspeople that have the most difficult time buying the policy and making it available to their employees, then we can also make, I think, a significant dent in this group of 45 million Americans who are uninsured.

Mr. Speaker, what the President has proposed, again, is to give small firms, those with fewer than 25 employees that have not previously offered health insurance, a tax credit equal to 20 percent of their contributions. And there are a number of other things here: Making COBRA continuation coverage more affordable; expanding State options to provide health insurance. There are a number of initiatives here that the President has put forward and that are part of the Democratic agenda. I am not going to go into all of them because I did promise that I would not take up all the time that was allotted.

But, Mr. Speaker, I want to stress again the importance of these three issues: HMO reform, pass the Patients' Bill of Rights; two, Medicare prescription drug coverage; and, lastly, trying to address the problem of access for the uninsured, those 45 million Americans who do not have health insurance.

I cannot think of anything that is more important for this House of Representatives to take up over the next 10 months or so between now and the November election, and I call upon my colleagues on the Republican side who are in the majority, the Speaker, the Majority Leader, to take up these issues and to pass legislation that addresses these concerns in a strong and effective manner.

We will be here as Democrats. I promise that I will be here. My colleagues will be here every night if we have to demanding action on these three health care issues because this is what our constituents talk to us about, this is what needs to be done. And it is not that difficult to do if only the Republicans would join with the Democrats in addressing these concerns.