

TAXES, THE NATIONAL DEBT, AND
OUR NATION'S PRIORITIES

The SPEAKER pro tempore (Mr. WHITFIELD). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes.

Mr. GANSKE. Mr. Speaker, I had not planned on talking that much about taxes today, but we will have a tax bill come up on the floor tomorrow, so in light of the last hour's discussion on taxes, I might as well give my opinion on this issue.

Mr. Speaker, prior to coming to Congress, I was elected in 1994, I was a reconstructive surgeon in Des Moines, Iowa. I had been in solo practice for 10 years. I took care of women who had had cancer operations, farmers who had put their hands into machines, babies who were born with birth defects.

I enjoyed it very much and I still do. I still go overseas and do surgical missions. I expect that some day I will probably return to that.

So people would ask me, why are you thinking about running for Congress? Are you tired of medicine? I said, no, I am not tired of medicine at all. I love it. It is a way to solve problems. But I will say, Mr. Speaker, there are a couple of problems that I was really concerned about.

I was concerned about a welfare system that I thought was not working. I took care of 14- and 15-year-old young mothers who would bring a baby with a cleft lip or palate into my office. They would be on welfare. There would almost never be a dad there with them, because the system was set up so that they only get benefits if a dad is not there. I did not think that was right.

One of the things I am proudest of since coming to Congress is the fact that this Republican Congress reformed welfare. It is working well. It is giving a helping hand, it is helping people get education, it is providing for child care during that training period of time, but it also says that if you are able-bodied and you receive that helping hand, then you ought to take the responsibility and get a job.

□ 1230

The welfare rolls are down by 50 percent all across the country, and part of that is due to the economy but part of it is due to the Welfare Reform Act that this Republican Congress passed. We had to place it on the President's desk three times before he signed it, but I am proud of that.

The other reason that I ran, that I decided to leave my medical practice for a period of time, was because I was very concerned about our national debt. Remember what it was like back in 1993 when I decided to run. We were looking at annual deficits into the future of over \$200 billion, as far as we could see. We were looking at trillions of dollars of national debt.

I have three children. I was worried about what kind of legacy we were going to leave for them. The bigger the national debt, the more our kids will have to pay for it. Then we look at the baby-boomers, the age wave coming down the track. I am 50 years old, right there at the beginning of that age wave. In another 15 years, every 8 seconds a baby-boomer is going to be retiring and our kids are going to have to cover that.

So the other main reason that I ran for Congress, that I left my medical practice, was to do something to get our national finances in order, to eliminate these annual deficits, to reduce the debt.

Mr. Speaker, with this Republican Congress we have put some fiscal restraint on Federal spending and part of the reason that we have a vibrant economy now is because there is not just a perception but a reality that this Congress has slowed down spending. That is good. In 1994, I ran against a very nice gentleman from Iowa who had been here 36 years. He was the chairman of Labor HHS Appropriations, which probably accounts for a lot of his votes, but we had a disagreement. The incumbent that I beat never saw a spending bill that he did not like.

We have put some fiscal restraint on this Congress. This brings us then to last year's tax cut, Republican tax cut. I am one of four Republicans that voted against that tax cut. That is not easy, let me say. I talked to the Speaker personally. He wanted me to vote for that bill. The Speaker is a fine man and a good friend. I had to turn him down.

I spoke to the chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), who I love dearly. He is a good friend. I had to turn him down.

Why was I one of only four Republicans that voted against that \$780 billion tax cut last year? Well, Mr. Speaker, it is because when I looked at the numbers, the projections for the surplus, they were based on two assumptions that are false. The first assumption was that we would stick to the spending caps from the 1997 Balanced Budget Act, and that is false because they are already broken.

We have already gone beyond those spending caps. Those spending caps would require reductions of 30 percent over current spending in the next several years. That will never happen. The second assumption was that there would be no emergency funding for 10 years.

Mr. Speaker, we all know that on the average this Congress has spent \$12 billion to \$16 billion a year on emergency funding. There is no way that we would not have any emergency funding. Emergencies happen. There are hurricanes that come up the coast. There are droughts. There are natural disas-

ters. Furthermore, even this year we are looking at emergency funding for military operations in Kosovo. That should not be an emergency item. We know that we are there. That should be budgeted, but that will be stuck into an emergency supplemental bill.

So those two premises upon which that \$1 trillion surplus, above and beyond Social Security, was made are false. It will not be that much. I pray to God that our economy continues to do well, that we continue to have government revenues come in as they have under this wonderful economic expansion, but I do not know that we can bank on that.

So I did not think those premises were true. I did not think we were truly dealing with that big a surplus, and I am a Republican who came to Congress, as I said, in 1995 to balance the budget, not to vote for a bill that could put us back into deficits.

Mr. Speaker, I will match my economic score card for fiscal conservatism with just about anybody in this House of Representatives. I am a fiscal conservative.

Mr. Speaker, I happen to believe that it is conservative to be careful and not to vote for a bill that could put us into deficits, not to vote for a bill that could increase our national debt. I think it is conservative to pay down our national debt first.

What should our priorities be this year? I think we ought to pay down the debt, for a couple of reasons. Number one, we are currently spending about \$240 billion a year on interest payments. When times are good, my parents taught me, one should reduce debt so that when times are bad they do not have to service that debt.

I think we ought to know what our expenses are going to be this year, and I would agree with my Democratic colleagues that the process should be, first, get your priorities in order; pay down the debt. Second, know what your expenditures are going to be and, third, then you know how much you have available for a tax cut.

I am going to vote tomorrow for a marriage tax relief bill. I think it is a matter of inequity. I do not think that a couple, both of whom are working that earn \$75,000, should pay more in taxes than a couple where only one is working and they are earning \$75,000. That needs to be fixed.

I am in agreement with fixing the alternative minimum tax. That tax was designed for millionaires so that they would have to pay something in taxes; but unfortunately, because of historical trends in income, it now affects the middle class. I think we ought to do something to fix that so I am going to vote for this tomorrow.

What are we going to do later in the year when we have a minimum wage bill come up and we attach tax provisions to that? How much will those tax

provisions be to help small businesses? What are we going to do if we want to address access to health care with a Patients' Bill of Rights that is coupled with an access bill? I firmly believe there is bipartisan support in Congress to extend to 100 percent deductibility for the self-insured for their health premiums, make it effective January 1, 2000. That would help a lot of individuals afford health insurance, but that could be a major cost in terms of decreased revenues to Congress.

Where does this all fit in together? Where does it fit in with what we think we will need to spend for government programs? My colleagues from the other side of the aisle pointed out that there are a number of Members of Congress from both sides of the aisle that want to increase spending on defense. We may be looking at some additional agricultural relief.

My point of this is that we need to have a process ahead of time so that we understand where we are going on this budget. If it is the intent of my leadership to simply take last year's \$800 billion tax cut bill, divide it into little pieces and just bring them one after another to the floor, then I think after the first one or two they will find out that they no longer have support because people will start to get concerned about are we going to end up at the end of the year dipping into that Social Security surplus. Are we at the end of the year actually going to be able to say we reduced the debt.

When I talk to my constituents back home in Iowa, I can say something. Almost unanimously they say our priorities should be reduce the debt. Among the elderly, they want us to reduce the debt because they intuitively know that if we have a lower debt that in the year 2013, when the baby-boomers move into retirement, that gives us a bigger cushion to handle those entitlement programs.

The younger people want us to reduce the debt because they know if we do it we will reduce interest rates so that they have to pay less on their home payments. Reduce the debt, figure out what an accurate budget should be and fit your tax cuts into that. That should be the process by which we go through here.

I am in agreement with my colleagues on the other side of the aisle on this. I think we are going to be looking at some legislation down the road this year that is important, and we need to know where we are going to be on this issue.

As I said, Mr. Speaker, I am as fiscally conservative as just about anybody in the Republican caucus. I do not enjoy being at odds with my leadership on this issue. I happen to think that our leadership, in talking now about debt reduction, is getting the message. I happen to think that we can go out and we can be honest with people and

we can say, look, the conservative position on this is, number one, do not vote for a bill that has the potential to increase deficits and increase debt. Pay down the debt first.

PATIENT PROTECTION LEGISLATION

Mr. GANSKE. Mr. Speaker, in my remaining time I want to speak a little bit about patient protection legislation. We have been working on this issue for 5 years now. Back in 1995 when I first came to Congress, reports came out about how HMOs were writing contracts that had gag clauses in them, in which they basically said that before a physician could say to the patient what their treatment options were they first had to get an okay from the company.

Now think about that for a minute. Let us say that a woman with a lump in her breast goes in to see her doctor. The doctor takes her history, examines her, and knows that there are three treatment options for this lady; but one of them may be more expensive than the other and because he has this gag rule written into his HMO contract he has to say, excuse me, ma'am; leaves the room goes to a telephone; gets on the phone, dials a 1-800 number and says, Mrs. So and So has a lump in her breast. She has three treatment options. Can I tell her about them?

I firmly believe that patient has the right to know all her treatment options and that an HMO should not censor her physician. That is a blow right to the patient/doctor relationship. That should be outlawed. So I wrote a bill in 1995 called the Patient Right to Know Act. I went out and I obtained 285 bipartisan cosponsors and, Mr. Speaker, I could not get that bipartisan bill to the floor, which would have passed with over 400 votes.

My leadership, the Republican leadership of this Congress, would not even allow a simple bill like that to come to the floor, despite promises that they would.

So the next year came along, and we wrote a more comprehensive bill because we also knew that in the meantime HMOs were refusing to pay for emergency care.

Let us say a patient has crushing chest pain. We have just seen on TV that crushing chest pain can be a sign of a heart attack. Pass go, go immediately to that emergency room because if one delays they could have a heart attack and die on the way. The American Heart Association says that.

So people would have crushing chest pain, break out in a sweat, know that that could be a heart attack. They go to their emergency room. They would have a test, and some of the time it would not show a heart attack. Some of the time it would show severe inflammation of the esophagus or the stomach instead.

□ 1245

The EKG would be normal. So ex post facto, the HMO would refuse to pay for that emergency room visit, because, you see, the patient was not having a heart attack after all.

Well, when word of that type of treatment gets around, people start to think twice about really whether they are going to go to the emergency room when they need to, because, after all, they could be stuck with a bill. Is that fair? Is that just? No. But it is one of those ways that HMOs have tried to cut down on care to increase their bottom-line profits.

Well, we had hearings on patient protection legislation. We had a hearing back in May, 1996, 4 years ago. Buried in the fourth panel at the end of a long day was testimony from a small, nervous woman. This was before the House Committee on Commerce. By that time, the reporters are gone, the cameras are gone, most of the original crowd had dispersed. She should have been the first witness that day, not the last.

She told about the choices that managed care companies and self-insured plans are making every day when they determine what is known as "medical necessity." Linda Peeno had been a claims reviewer for several HMOs. I want to relate her testimony to my colleagues.

She began, "I wish to begin by making a public confession. In the spring," now this is a former claims reviewer, medical reviewer for an HMO. She said, "In the spring of 1987, I caused the death of a man. Although this was known to many people, I have not been taken to any court of law or called to account for this in any professional or public forum. In fact, just the opposite occurred. I was rewarded for this. It brought me an improved reputation in my job. It contributed to my advancement afterwards. Not only did I demonstrate that I could do what was expected of me, I exemplified the good company employee. I saved half a million dollars."

As she spoke, a hush came over that room. Mr. Speaker, I think you may have been in the room when this lady testified. The representatives of the trade associations who were there averted their eyes. The audience shifted uncomfortably in their seats, alarmed by her story. Her voice became husky, and I could see tears in her eyes. Her anguish over harming patients as a managed care reviewer had caused that woman to come forth and to bear her soul.

She continued, "Since that day, I have lived with this act and many others eating into my heart and soul. I was a professional charged with the care or healing of his or her fellow human beings. The primary ethical norm is 'do no harm.' I did worse," she said. "I caused the death. Instead of

using a clumsy, bloody weapon, I used the simplest, cleanest of tools: my words. This man died because I denied him a necessary operation to save his heart."

This medical reviewer continued, "I felt little pain or remorse at the time. The man's faceless distance soothed my conscious. Like a skilled soldier, I was trained for this moment. When any qualms arose, I was to remember, I am not denying care. I am only denying payment."

Well, by this time, the trade association representatives were staring at the floor. The Congressmen who had spoken on behalf of the HMOs were distinctly uncomfortable. The staff, several of whom became representatives of HMO trade associations, were thanking God that this witness was at the end of the day.

Her testimony continued, "At that time, this helped me avoid any sense of responsibility for my decision. Now I am no longer willing to accept the escapist reasoning that allowed me to rationalize that action. I accept my responsibility now for this man's death as well as for the immeasurable pain and suffering many other decisions of mine caused."

This is testimony from a medical reviewer for an HMO before Congress in 1996. Congress has dilly dallied for 4 years and has not done anything to fix this.

She then listed the many ways that managed care plans deny care to patients; but she emphasized one particular issue, the right to decide what care is medically necessary.

She said, "There is one last activity that I think deserves a special place on this list, and this is what I call the smart bomb of cost containment, and that is medical necessities denials. Even when medical criteria is used, it is rarely developed in any kind of standard traditional clinical process. It is rarely standardized across the field. The criteria is rarely available for prior review by the physicians or members of the plan."

She says, "We have enough experience from history," we have enough experience from history, I think she was referring to World War II, "to demonstrate the consequences of secretive, unregulated systems that go awry."

After exposing her own transgressions, she closed urging everyone in the room to examine their own conscience. She closed by saying, "One can only wonder how much pain, suffering, and death will we have before we have the courage to change our course. Personally, I have decided that even one death is too much for me."

At that point in time, the room was stone-cold quiet. The chairman mumbled, "Thank you."

Well, Mr. Speaker, let me tell you about some of the real-life people that have been affected by HMO abuses. It is

important, when we talk about the details, the technical details of some of these bills, that we remember that there are actually people involved with the consequences of HMO decisions.

It has now been about 4 years since a woman was hiking about 40 miles east of Washington here. She fell off a 40-foot cliff. She fractured her skull, broke her arm, had a fractured pelvis. She was laying on the rocks at the base of a 40-foot cliff, close to a pond. Fortunately, she did not fall into that. Her boyfriend who was hiking with her managed to get her life-flighted to a hospital.

This was that young woman, Jackie Lee, being trundled up, put on the helicopter. She spent about a month in the ICU. She was really sick. She had severe injuries. She was on intravenous morphine for pain.

After she got out of the hospital, her HMO refused to pay for her hospitalization. Why was it that her HMO would not pay? Well, the initial answer was, Jackie had not phoned ahead for prior authorization. She had not phoned ahead to let them know that she was going to fall off a cliff and be injured. Boy, I would tell you, you would need a real crystal ball to get care from that HMO. Or maybe when she was semicomatose, lying at the base of that cliff, she was supposed to, with her nonbroken arm, pull a cellular phone out of her pocket and phone a 1-800 number and say, hey, guess what? I fell off a 40-foot cliff. I need to go to the emergency room.

Well, then after she contested that, then the HMO still refused to pay for her bill because they said, "Well, you were in the hospital for a while. You did not phone us within the first few days that you were in the hospital." Her rejoinder was, "I was in the ICU on a morphine drip. I guess it did not enter my mind." That is one of the examples that we are dealing with.

Under the bill that passed the House of Representatives a couple of months ago, this woman would be taken care of because we have a provision in that bill that says that, if one needs to go to the emergency room, and if a layperson would agree that this is an emergency, would anyone not agree that that is an emergency, if a layperson would agree that that is an emergency, then that HMO is obligated to pay the bill. We passed that provision for Medicare patients. We still have not done anything for all of the people in this country.

Well, what about HMOs like this medical reviewer talking about making determinations of medical necessity that are contrary to what one's own doctor or physician consultant would give.

This woman was featured on the cover of Time Magazine several years ago. She had cancer. Her doctor and her consultants all recommended a type of treatment. Her HMO denied it.

There was no specific exclusion of coverage for that type of treatment or contract. But under Federal law, her HMO can define medical necessity in any way they want to.

If one gets one's insurance from one's employer, does one's State insurance commissioner have any say in that? No. Congress took that away from State insurance commissioners 25 years ago. Under current law, HMOs that make decisions, medical necessity decisions, through employer plans, can define medical necessity any way they want. Even though this woman's doctors all recommended that she have this treatment that could have saved her life, they said, no, and she died.

Let me tell my colleagues about another type of medical decision that an HMO made 5 or 6 years ago. About 3:00 in the morning, Lamona Adams was taking care of little Jimmy when he was 6 months old. He had a temperature of about 104, 105, and he was pretty sick. She looked at him, and she talked to her husband, and they thought he needed to go to the emergency room. So they were good HMO clients. They phoned that 1-800 HMO number. They got somebody 1,000 miles away who knew nothing about the Atlanta, Georgia area where they lived.

The person said, "Yes, I will authorize you to go to an emergency, but you can only go to this one emergency room." Little Jimmy's mother said, "Well, where is it?" The voice at the end of that 1-800 line said, "Well, I do not know. Find a map."

So at 3:30 in the morning, Mom and Dad wrapped up little Jimmy, got into the car. There is a severe storm outside. They start their trek to this authorized hospital which is about 70 miles away, 70, 70 miles away. They live clear on the south side of Atlanta, and this authorized hospital is on the north side. So they have to go through all of metropolitan traffic.

On their way, about halfway there, they passed three emergency rooms that they should have been able to stop at. But they were not medical professionals. They knew he was sick, but they did not know how sick. They knew if they stopped at one of those unauthorized hospitals that the HMO would not pay, and this could be really expensive.

Unfortunately, before they got to the authorized hospital, Jimmy's eyes rolled back in his head, he stopped breathing, and he had a cardiac arrest. So, imagine, Dad driving like crazy, Mom trying to keep her little baby alive. They finally pull into the emergency room. Mom grabs her baby, jumps out of the car, screaming "save my baby, save my baby."

A nurse comes out, gives him mouth-to-mouth resuscitation. They start the IVs. They give him medicines, and they save his life. But they do not save all of this little baby. Because of his cardiac

arrest, his decreased circulation, he ends up with loss of circulation in his hands and his feet, and gangrene sets in. Both his hands and both his feet have to be amputated.

Here is James after his HMO treatment, without his hands and without his feet. I brought him to the floor of Congress when we had our debate. He can put on his leg prostheses with his arm stumps, and he gets around pretty good, and he is a great kid. He will take a pencil, and he will hold it with his stumps, and he can draw and write like that. But I would submit to my colleagues that this little boy will never play basketball or sports.

□ 1300

This little boy when he grows up will never be able to caress the cheek of the woman he loves with his hand. Do you know that under Federal law the HMO which made that medical determination that he had to go to that hospital that caused this to happen is liable for the cost of his amputations?

Mr. Speaker, if he died, then they would not have been liable for anything. Is that justice? Is that fair? Is that the type of system we ought to have that covers 75 percent of the people in this country who receive their insurance from their employer? I think not.

Let me give you another example of the problem with HMOs being able to determine "medical necessity" in any way that they want. Here is a little baby born with a defect, the type of which I fix; this is a cleft lip and a cleft palate. It is a birth defect. This is not a, quote, "cosmetic defect." This is a functional defect.

This little boy when he eats has food come out of his nose. This little boy, because he does not have a roof of his mouth or a palate, will never be able to learn to speak normally.

So what is the standard treatment for this? Surgical correction. We can go a long ways towards making these kids whole again and able to go out in public and able to speak and able to eat normally by a surgical correction of their palate.

You know what? There are some HMOs that are defining medical necessity as the "cheapest least expensive care," "the cheapest least expensive care."

Mr. Speaker, you may say in this age of cost containment, what is wrong with that? I will tell you what is wrong with that: the standard of care for this little baby born with this birth defect is surgical correction of his palate using his own tissues so that he is able to eat and speak normally.

Under that bizarre definition of an HMO, they can give his parents a little piece of plastic to shove up in the roof of his mouth, what is called an obturator, a plastic obturator. It would be like an upper denture. Yes, that would

keep food some of the time from going up his nose. He might be able to garble out some type of speech. But you know what? It would not be an optimal result.

Under Federal law as it currently exists today, that HMO can put that definition into their health plans, something in the fine print that none of you would ever know about. They could totally justify this, and you would have no recourse, other than maybe going to your newspaper and exposing them. That is wrong.

Mr. Speaker, this House passed by a vote of 275 to 151 a strong patient protection piece of legislation called the Bipartisan Consensus Managed Care Act. The gentleman from Georgia (Mr. NORWOOD), a very conservative Republican, and I, and the gentleman from Michigan (Mr. DINGELL) wrote that bill. We have had two motions to instruct for our conferees on this managed care patient reform bill to follow the House bill.

This House voted on the Senate bill, which is a do-nothing fig leaf bill, where the fine print is worse than the status quo. This House voted on that. You know what? This House voted by a vote of 145 for the Senate bill to 284 against the Senate bill.

We have a chairman of this conference who says we are going to stick to that Senate bill. Mr. Speaker, we can do better. We can do better for this little baby. We can do better for James Adams. We can do better for this lady and her family. We can do better for a woman who falls off a 40-foot cliff and is told by her HMO, sorry, you did not notify us before your fall.

We have waited on this legislation too long. It is time to fix it. The President has said put that bipartisan consensus Managed Care Reform Act, the one that passed this House with 275 votes, put it on my desk, and I will sign it. We should do that tomorrow, because I can guarantee you, Mr. Speaker, there are people out there at this very moment that are being harmed by HMOs that are being denied necessary medical care, who may lose their hands and feet or their life because of arbitrary decisions.

I call upon Members of both side of the aisle to work hard to bring a real patient protection bill out of conference to this floor and put it on the President's desk. If the conference brings back that unsatisfactory Senate bill, then I am just afraid we are all going to say no. Let us fix this problem, and let us fix it now. People need their care.

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. RILEY) to revise and ex-

tend their remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mrs. CHENOWETH-HAGE, for 5 minutes, today.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2130. An act to amend the Controlled Substances Act to direct the emergency scheduling of gamma hydroxybutyric acid, to provide for a national awareness campaign, and for other purposes.

ADJOURNMENT

Mr. GANSKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Thursday, February 10, 2000, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6089. A letter from the Under Secretary of Rural Development, Department of Agriculture, transmitting the Department's final rule—Rural Business Opportunity Grants (RIN: 0570-AA05) received December 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6090. A letter from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting the Department's final rule—Food Distribution Programs: Implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform) received January 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6091. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Authority and Issuance—received January 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

6092. A letter from the Associate Solicitor for Legislation and Legal Counsel, Department of Labor, transmitting the Department's final rule—Supplemental Standards of Ethical Conduct for Employees of the Department of Labor (RIN: 1290-AA15, 3209-AA15) received January 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6093. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits—received January 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.