

child must be left behind. We have to narrow the gap between rich and poor and black and white and brown, because in America, we will not have a 21st century that is an American century, just as much as the 20th was, unless we do.

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I want to thank my colleagues for joining me here this evening.

THE NEED FOR MEDICARE PRESCRIPTION DRUG BENEFITS AND OTHER VITAL ISSUES

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, this evening, I would like to talk for a little bit about the issue of a Medicare prescription drug benefit, because I believe that it is imperative that this Congress, this House of Representatives in particular, pass a prescription drug benefit that is affordable and that every American, every senior citizen, everyone that is eligible for Medicare, would be able to take advantage of.

Mr. Speaker, so far we hear the Republican leadership talking about the need for a prescription drug benefit in the context of Medicare, but yet we have seen no action. No action in committee, no action on the floor in either House.

President Clinton has rightly pointed out that the government must subsidize drug coverage for all Medicare beneficiaries, not just for those who have modest incomes or use large amounts of medicine. Some of my Republican colleagues want to give Federal grants to the States to help low-income elderly people buy prescription drugs. But my point tonight is that that approach is unacceptable, because more than half of the Medicare beneficiaries who lack prescription drug coverage have incomes more than 50 percent above the official poverty line.

Another Republican proposal that I hear from some of my colleagues would give tax breaks to elderly people so they can buy private insurance covering prescription drugs. But again this proposal would benefit the wealthiest seniors without providing any help to low- and middle-income seniors.

The point I am trying to make, Mr. Speaker, and President Clinton has made it over and over again, and Democrats on our side of the aisle will continue to make the point, that we need to provide prescription drug coverage for all seniors and we need to end the drug price discrimination which so many of our seniors are witness to and suffer from.

Just by way of background, Mr. Speaker, some information or some

factual background about why this prescription drug benefit is necessary. Fifteen million Medicare beneficiaries right now have no prescription drug coverage, requiring them to pay their outpatient prescription drug costs entirely themselves. Millions of other seniors are at risk of losing coverage or have inadequate, expensive coverage. Indeed, the Consumers Union has found that seniors currently receiving prescription drug coverage through private Medigap policies are not getting a good deal.

Specifically, in 1998, Consumers Union analysis found that a typical 75-year-old is paying an additional premium of \$1,850 per year for a prescription drug benefit that is capped at \$1,250 a year. Hence, the typical 75-year-old is paying in premiums more than the value of the prescription drug coverage.

There are so many problems with the so-called coverage that we have out there in terms of its being inadequate and consumers having to pay too much, as well as a large amount of seniors that have no coverage at all. The problem of seniors paying prescription drug costs out of pocket has become particularly acute because the costs of prescription drugs continue to soar. The cost of prescription drugs rose by 14 percent in 1997 compared to 5 percent for health services overall.

The pinch on seniors is especially hard because people buying prescription drugs on their own, such as the seniors who have no or inadequate insurance coverage, usually have to pay the highest prices for them and they are unable to wield as much leverage as health plans and insurance companies that often can negotiate discounts. They do not have that opportunity to negotiate the discounts.

Seniors are the portion of the population that is the most dependent on prescription drugs. Whereas seniors are only 12 percent of the total population, they use more than one-third of the prescription drugs used in the U.S. every year. When Medicare was created back in 1965, prescription drugs did not play a significant role in the Nation's health care; and that is why it was not included in the time when Medicare was started. However, due to the great advances in pharmaceuticals in the past 34 years, prescription drugs now play a central role in the typical senior's health care.

As President Clinton has pointed out, if we were creating Medicare today, no one would ever consider not having a prescription drug benefit. Drugs that are now routinely prescribed for seniors to regulate blood pressure, lower cholesterol, ward off osteoporosis, these kinds of drugs had not been invented when Medicare began as a Federal program in 1965. Today, the typical American age 65 or older uses 18 prescription drugs a year.

Mr. Speaker, the bottom line that I am trying to get across, and that so many of my colleagues on the Democratic side have been trying to get across, is essentially that too many seniors find themselves unable to pay for their prescription drugs. The Democrats want to address this crisis and we want to enact a prescription drug plan this year to help all seniors afford the overwhelming cost of medication.

Now, I do not insist, and Democrats in general have not insisted, on any particular plan as long as it covers everyone and it is affordable. But because of the fact that the Republican leadership has so far refused to take any action on the prescription drug issue in the context of Medicare, we have been forced to essentially move to a procedure in the House called the discharge petition. If a bill is not released from committee or does not come to the floor, the Members of the House of Representatives have the option of signing a discharge petition at the desk here to my right that would essentially force the bill to come to the floor for a vote.

So, because of the Republican inaction on the prescription drugs issue in the context of Medicare, we have been trying to get as many Democrats, as well as Republicans, as possible to sign a discharge petition on two bills that would address the problem in a comprehensive way.

Mr. Speaker, I want to spend a little time talking about those two bills, because I think they may not be the only answer, but they are certainly a good answer to the problem that so many seniors face in terms of their inability to afford or have access to prescription drugs.

The first bill is sponsored by the gentleman from California (Mr. STARK) and the gentleman from California (Mr. WAXMAN), H.R. 1495. It would add an outpatient prescription drug benefit to Medicare; basically provide for the benefit. The bill covers 80 percent of routine drug expenditures and 100 percent of pharmaceutical expenditures for chronically ill beneficiaries who incur drug costs of more than \$3,000 a year.

This legislation would create a new outpatient prescription drug benefit under Medicare Part B. The benefit has two parts: A basic benefit that would fully cover the drug needs of most beneficiaries; and, as I mentioned, a stop-loss benefit that will provide much-needed additional coverage to the beneficiaries who have the highest drug costs.

After beneficiaries meet a separate drug deductible of \$200, coverage is generally provided at levels similar to regular Part B benefits with the beneficiary paying not more than 20 percent of the program's established price for a particular product. The basic benefit would provide coverage up to \$1,700 annually. Medicare would provide stop-loss coverage; Medicare would pay 100

percent of the costs once annual out-of-pocket expenditures exceed \$3,000. Seniors with drug costs in excess of the basic benefit but below the stop-loss trigger would be allowed to self pay for additional medications at the private entity's discount price.

As I said, there are two aspects of this that the Democrats as a party have tried to address. One is the need for a basic prescription drug benefit, and the other issue relates to the price discrimination that seniors face right now if they are not part of a plan, in which case they have to pay a lot more for the coverage because they cannot negotiate a good price for prescription drugs.

In the second bill that we have been seeking to discharge to the House floor, and various Democrats have signed the discharge petition for, this bill is the bill sponsored by the gentleman from Maine (Mr. ALLEN) and the gentleman from Texas (Mr. TURNER), H.R. 664, that calls for drug companies to end price discrimination and make their products available to seniors at the same low prices that companies give the Federal Government and other favored customers.

If I could just talk about this bill in a little more detail. It is called the Prescription Drug Fairness for Seniors Act. Basically, it was put together by the gentleman from Maine (Mr. ALLEN) and the gentleman from Texas (Mr. TURNER) because of various studies that were done by the Committee on Government Reform and that Democrats have looked into in order to suggest an answer to the problems that seniors have with price discrimination.

There have been studies in congressional districts across the country that have shown that drug manufacturers engage in widespread price discrimination. Seniors and others who buy their own prescription drugs are forced to pay twice as much for their drugs as are the drug manufacturers' most favored customers such as the Federal government and, of course, the large HMOs.

For some prescription drugs, seniors must pay 10 times more than these favored customers. This price discrimination has a devastating effect on older Americans. Although they have the greatest need and the least ability to pay, senior citizens without prescription drug coverage must pay far more for prescription drugs than the favored buyers and, as a result of these high prices, many senior citizens are forced to choose between buying food and paying for medication they need.

I do not have to mention, Mr. Speaker, there are so many cases like this in my district and throughout the country where seniors are forced to make this decision and choose between the drugs and the medication and buying food.

The Prescription Drug Fairness for Seniors Act will protect senior citizens

from drug price discrimination and make prescription drugs available to Medicare beneficiaries at substantially reduced prices. The legislation achieves these goals by allowing pharmacies that serve Medicare beneficiaries to purchase prescription drugs at the low prices available to the Federal Government and other favored customers. The legislation has been estimated to reduce prescription drug prices for seniors by more than 40 percent.

Again, if I could summarize what the Allen-Turner bill would do, it would allow pharmacies to purchase prescription drugs for Medicare beneficiaries at low prices. Pharmacies will be able to purchase prescription drugs for Medicare beneficiaries at the same prices available to the Federal Government and these other favored HMOs. It also uses a streamlined, market-based approach. It would allow pharmacies to use the existing pharmaceutical distribution system and will not establish a new Federal bureaucracy. And the new access to discounts by pharmacies will enhance economic competition.

Mr. Speaker, I am not saying, and I want to stress again, I am not saying that these two bills, the Stark-Waxman bill or the Allen-Turner bill, the subject of the Democrats' discharge petitions, are the only approach. But I believe that something has to be done soon along the lines of the approach that these two bills take, and that is a comprehensive benefit for every senior under Medicare and a way to achieve affordable prices.

The problem of the lack of an affordable prescription drug benefit is really the biggest problem facing the Medicare program today. As I mentioned before, Medicare is a good program but this is a huge gap that must be filled in the program. And I do not think it can be corrected piecemeal by simply devising a plan that covers the poorest seniors as some of my Republican colleagues have suggested. It should be a comprehensive and affordable drug benefit available to all seniors, regardless of income.

It is not clear to me whether the Republican leadership is prepared to move away from this idea of covering only one-third of Medicare beneficiaries who lack any prescription drug coverage at all. The Speaker has appointed a partisan task force to study the issue, and I hope this is not a mere diversionary tactic to stall any action to move legislation forward and to end price discrimination.

Hopefully, this task force will report soon and we will see some action that will come into committee and eventually be marked up and come to the floor. I just want to stress that when it comes to an examination of who has taken the lead in trying to fix this problem, the record is very clear. The Republicans have done very little on

this issue. Democrats, on the other hand, have been on the House floor day after day since the 106th Congress began pushing for consideration of legislative solutions such as those that have been offered by the gentleman from Maine (Mr. ALLEN) and the gentleman from California (Mr. STARK), as I mentioned.

The key is that both the Stark and the Allen plans would increase the negotiating power of those seeking to provide a Medicare drug benefit allowing pharmaceuticals to be purchased at cheaper prices and passing the savings on to all interested seniors. The President, we also know, has a comprehensive plan. His plan would also provide pharmaceuticals to seniors who need them at discounted prices. I want to stress that I also support his plan, and his plan also will accomplish the goal of covering all seniors and affordability.

On the other hand, I do not know of any Republican proposals or expressions of support for confronting the issue of pharmaceutical price discrimination. And we cannot, we cannot address this problem without dealing with that price discrimination issue.

Before closing with regard to the prescription drug issue, because I do want to move on to a couple of other subjects, I just want to express my view that it is also important to bring in the pharmaceutical companies in our efforts to pass a Medicare prescription drug benefit. I thought that it was very encouraging earlier this year when the drug companies dropped their initial opposition to a benefit and specifically to the President's proposal. That was refreshing.

In my home State of New Jersey, of course, there are a lot of pharmaceutical companies; and I was contacted by some of the New Jersey pharmaceutical executives who expressed their willingness to sit down and help come up with a plan.

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I think that the reason that they did that is because they realize we need action. They realize that seniors are suffering, and they realize that it is possible to put together, hopefully in a bipartisan way, a Medicare prescription drug benefit that will cover all seniors and that will be affordable.

I would simply urge my colleagues and the Republican leadership that are in charge of the House of Representatives to act quickly on this. Until they do, I and other Democrats will come to the House floor on a regular basis demanding action, because seniors need it. This is a major issue for them. They are suffering, and they need to have our attention focused on this issue before the Congress adjourns this year.

LESSONS FOR UNITED STATES DIPLOMACY: INDIA RESPONDS TO CLINTON MESSAGE, BUT NOT PAKISTAN

Mr. PALLONE. Mr. Speaker, I wanted to spend some additional time this

evening, if I could, on two other international issues. I just returned last week with the President from an official state visit to India as well as Bangladesh. I thought that the trip and the visit by the President was very worthwhile. There is no question in my mind that it was a historic visit that managed to bring the United States and India closer together. This was the first visit by an American President to India and to the subcontinent in more than 2 decades.

I wanted to just, if I could, in the little bit of time tonight, assess what was accomplished and also make my analysis of how much work still needs to be done.

The key outcome of the President's trip is the message, I think, that should be sent to our administration, our State Department, about which South Asian nation can be relied upon to be an effective partner for the United States in the years to come. That Nation, of course, is India. Then, on the other hand, which South Asian nation stands in direct opposition to America's interests and values. I do not think there is any question, based on that trip, that the Nation in that category is Pakistan.

President Clinton went to South Asia with an agenda of promoting peace, stability, regional integration, democracy, trade, market reforms, and the settlement of disputes through negotiations. Well, India's elected leaders clearly embraced President Clinton's agenda. Pakistan's military dictatorship, on the other hand, clearly ignored it.

Mr. Speaker, I hope this lesson is not lost on the policy makers in our State Department and the National Security Council. During the Cold War, military and intelligence links were established between the United States and Pakistan. But we live in a changed world now. Unfortunately, there are many who are still set in the old ways, both here in Washington as well as in Pakistan. I hope what we have witnessed in the past week with the President's trip to the subcontinent will be taken seriously by our policy makers and that we will see significant changes in U.S.-South Asia policies.

I participated in the President's visit to India, but also to his visit to Bangladesh. I want to report that that trip to Bangladesh was also valuable and productive.

In addition to the goodwill that we generated between India and the United States and Bangladesh and the United States, there were some substantive accomplishments on initiatives that will improve the quality of life for the people of South Asia and create new opportunities for American businesses in this important and emerging region of the world.

One of the President's top priorities in making the trip to South Asia was

to call for a peaceful solution to the Kashmir conflict that has divided India and Pakistan for decades. India's elected leaders have long made it clear that they seek the same thing.

Well, last Monday, not yesterday, but the previous Monday, Mr. Speaker, on his first full day in India's capital of New Delhi, President Clinton and India's Prime Minister Vajpayee signed a vision statement outlining the direction of the partnership of the world's two largest democracies in the 21st century.

In their joint appearance, Prime Minister Vajpayee stated that India remains committed to resolving its differences with its neighbors through peaceful bilateral dialogue and in an atmosphere free from the thought of force and violence.

The prime minister stressed the need for neighboring countries to respect each other's sovereignty and territorial integrity and to base their relationship on agreements solemnly entered into.

Unfortunately, Mr. Speaker, President Clinton did not hear the same message during his brief visit to the Pakistani capital of Islamabad. President Clinton stressed to General Musharraf, the military leader who seized power in Pakistan in a coup last October, that there could be no military solution in Kashmir by incursions across the line of control, the de facto border between India and Pakistani-controlled territory in Kashmir.

Our President called for restraint, respect for the line of control, and rejection of violence and return to dialogue.

In a speech to the Pakistani people, broadcast on national television and radio, President Clinton stated, "We want to be a force for peace. But we cannot force peace. We cannot impose it. We cannot and will not mediate or resolve the dispute in Kashmir. Only you and India can do that, through dialogue."

Now, in marked contrast, Mr. Speaker, to India's elected prime minister, Pakistan's military dictator did not echo the call for a peaceful resolution of the Kashmir conflict. Instead, despite overwhelming evidence to the contrary, the general fell back on the old claim that Pakistan had nothing to do with sending forces across the line of control last year. As a matter of fact, in a recent interview with the Washington Post prior to President Clinton's visit to India, General Musharraf himself admitted the Pakistani government's involvement in last year's attack against India's side of the line of control.

Mr. Speaker, in yesterday's New York Times, yesterday being Monday, the 27th of March, an editorial stated, and I quote, "In his six-hour stop in Islamabad on Saturday, including a 90-minute meeting with General Musharraf and an unflinching television address to the Pakistani people,

Mr. Clinton delivered the right messages, but he did not get a helpful response. Indeed, General Musharraf, in a surreal news conference following the visit, sounded as if he had not heard a word Mr. Clinton said."

That New York Times editorial, entitled "Perils in Presidential Peacemaking," cited the disappointing results of the meeting with General Musharraf and of the meeting in Geneva with Syrian President Assad. The meetings accomplished little, quoting from the Times, "because neither interlocutor was in the mood to do business. America may be the sole superpower today, but that does not guarantee cooperation from intransigent leaders like General Musharraf and Mr. Assad."

Mr. Speaker, one of the things that leaders like General Musharraf and President Assad have in common was they were not elected to their post and they do not face the institutions of accountability that we expect in a democratic society. Obviously, we have to deal with such authoritarian leaders around the world, and sometimes we can accomplish productive things with them. But the results are often frustrating. In light of India's willingness to enter into a process of dialogue with Pakistan, it is truly a shame that General Musharraf let this opportunity go by without making any effort at reconciliation.

One of the key challenges of President Clinton's visit was to make it clear to the Pakistani junta that his visit did not constitute American support for the coup that overthrew the civilian government. While maintaining respect for Pakistani sovereignty, the President stated that, "The answer to flawed democracy is not to end democracy, but to improve it."

But on the eve of President Clinton's visit, in what I would characterize as largely a public relations move, General Musharraf announced a timetable for local elections between December of this year and August 2001. But the General refused to provide a time frame for national elections. The bottom line is that the general appears intent on holding on to power for the foreseeable future.

This is a stark contrast, Mr. Speaker, between India and Pakistan. India again proved itself to be the thriving democracy with a free press and respect for what we Americans call first amendment rights. While President Clinton's visit was widely hailed throughout India, there were opponents of the U.S., and peaceful demonstrators were allowed to express their views.

During the President's speech to the Parliament, those of us who were part of the bipartisan delegation in New Delhi that accompanied President Clinton had an opportunity to interact with our counterparts in India's parliament. We sat on the floor with them

just as we would in the House of Representatives here. How different was that from the closed door meetings with an unelected general that took place in Pakistan.

Two other huge areas of concern in the U.S.-Pakistani relationship are Pakistan's disturbing close relationship with terrorist organizations, many of which operate on Pakistani soil, and the proliferation of nuclear weapons technology with some of the world's most unstable and dangerous nations. Again, the response of General Musharraf was not encouraging.

CASTING A SHADOW OVER PRESIDENT CLINTON'S TRIP WAS THE TRAGIC AND SHOCKING MASSACRE OF 36 INNOCENT SIKH VILLAGERS IN INDIA'S STATE OF JAMMU AND KASHMIR. This terrible incident took place while we were in India with the President. It was the first large-scale attack against the Sikh community in Jammu and Kashmir. But it is consistent with this ongoing terrorist campaign that has claimed the lives of thousands of peaceful civilians in Kashmir. This terrorist campaign has repeatedly and convincingly been linked to elements operating within Pakistan, often with the direct or indirect support of Pakistan.

Mr. Speaker, I believe it is no coincidence that this massacre in Kashmir took place during Clinton's visit to South Asia. I believe these terrorist groups and those who support them in Pakistan wanted an incident that would draw attention to the Kashmir issue while stepping up the campaign of fear intended to drive Hindus, and now Sikhs, out of Kashmir.

There have been also crude attempts to blame the massacre on India, which is an outright untruth, in an effort to try to turn the Sikh community against India. As always, these actions backfire in terms of their intended propaganda effect.

What is tragic, besides the loss of innocent lives, is the fact that Pakistan continues to squander resources on weapons and support for terrorism in Kashmir.

Estimates have put the average income in Pakistan at about a dollar a day. Democracy has been squelched. President Clinton tried to approach the Pakistani leadership with a message of friendship, but with serious expectations about what steps Pakistan must take to be a full-fledged member of the community of nations. But that message, President Clinton's message, was ignored or rejected by the Pakistani dictatorship.

Lastly on this subject, Mr. Speaker, I wanted to say, in India and Bangladesh, President Clinton outlined a number of programs for increased trade and investment in the United States, as well as ways to increase cooperation among the nations of the region in the energy sector and other areas.

Some day, it is to be hoped that Pakistan will be able to be a part of

this new-found cooperation with the United States and with its neighboring countries. But this cannot happen under the terms Pakistan has set for itself. I regret that the current government in Pakistan did nothing to encourage the hope for progress, but it was certainly not for the lack of trying by both the United States and India.

179TH ANNIVERSARY OF GREEK INDEPENDENCE

Mr. PALLONE. Mr. Speaker, lastly today, if I could just spend a few minutes, I noticed that, earlier this evening, a number of my colleagues on both sides of the aisle made statements on the floor addressing the 179th anniversary of Greek independence. I wanted tonight, before I conclude, to just congratulate the people of Greece and, of course, Americans of Greek descent, on this 179th anniversary, which occurred over the weekend, last Saturday, March 25.

I think we all know that, throughout our country's history, Greece has been one of our greatest allies, joining the U.S. in defending and promoting democracy in the direst of circumstances.

The Greek people have also made invaluable contributions to the betterment of American's society. Following traditions established by their descendants, Greek-Americans have reached the highest levels of achievement in education, business, the arts, politics, and athletics, to name just a few; and American culture has been enriched as a result.

But I wanted to take the opportunity this evening on the anniversary of Greek independence today to discuss an issue that is of great concern to Greece and to Greek Americans, and that is the proposed \$4 billion of attack helicopters to Turkey by the United States and the current negotiations and the Cyprus issue.

Let me just say in unambiguous terms that the U.S. should not go forward with the sale of attack helicopters to Turkey for a variety of reasons. Chief among them are the continued human rights abuses by the Turkish military against the Kurdish people in Turkey and the potential to undermine the recent thaw in relations that has occurred between Turkey and Greece.

Human rights abuses by the Turkish military against the Kurdish minority in Turkey have been well documented, not only by human rights organizations, but by the U.S. State Department as well. These abuses are systematic and in and of themselves are reason enough not to go forward with the sale of U.S. attack helicopters to Ankara.

In 1998, the administration outlined the progress in human rights Turkey would need to make in order for such a sale to go through. Those conditions have certainly not been met, Mr. Speaker. To ignore this fact would be to violate our country's own deeply

held beliefs about human rights. This, however, is hardly the only reason why the sale should not go forward.

Moving forward with the sale would undermine our long-standing policy to help ease tensions in the region between Greece and Turkey. The U.S. credibility with Greece will surely suffer if we urge them to take steps to reduce tensions with Turkey at the same time we sell Ankara attack helicopters. Such a sale could hardly come at a worse time. There had been a thaw in relations between Greece and Turkey sparked by the humanitarian gestures each country made to the other following earthquakes that rocked both nations last year. The helicopter sale could well be seen by Greece as a destabilizing step and upset the fragile progress that has been made in this regard.

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Similarly, the proposed sale could have an equally harmful effect on the new round of peace negotiations in Cyprus. With these talks recently underway, it would be particularly foolish to sell Turkey high-tech offensive U.S. weapon systems.

The United States' long-standing policy has been that any settlement of the Cyprus problem be consistent with innumerable U.N. resolutions that have been passed on the Cyprus situation over the last two and a half decades. As my colleagues know, that is also the position of the Cyprus government. In other words, the U.S. position on Cyprus is consistent with that of Cyprus and Greece themselves. Moving forward with the helicopter sale would undercut the U.S.'s long-standing position on this issue and it simply should not happen.

The United States, Mr. Speaker, should be doing exactly the opposite of what the administration is proposing. Rather than cozying up to the Turkish military through the sale of attack helicopters, the U.S. should be publicly and privately coming down hard on Ankara and the Turkish military. In unequivocal language, and through both private and public mediums, the U.S. should communicate to Turkey, and particularly to the Turkish military, that there will be immediate and severe consequences in U.S.-Turkish relations if progress is not made on the Cyprus issue.

I do not have to repeat, but I will say that the illegal occupation of Cyprus is now almost 26 years old. Those of us who have worked on this issue in the House of Representatives must take advantage of every opportunity to reaffirm our commitment to bringing freedom and independence back to the Cypriot people. Indeed, reaffirming our commitment to standing firm with the Greek people, just as they have stood with us throughout our history, is a very appropriate thing to do on Greek

Independence Day. Indeed, this is precisely why I wanted to talk about the issues I have raised today.

I can think of no better occasion to speak against the proposal to sell American attack helicopters to Turkey than on Greek Independence Day, a day when we should be honoring Greece for its commitment to our shared values and celebrating ways to strengthen the ties between our two countries, not weaken them. To that end, Mr. Speaker, I once again congratulate Greek Americans and the people of Greece on the 179th anniversary of Greek independence.

I urge all my colleagues to do the same and to join me in opposing the sale of attack helicopters to Turkey, in working for a just resolution to the Cyprus problem, and in working to strengthen the special bond that the United States and Greece have shared for so long.

IMPORTANT ISSUE FACING HOUSE-SENATE CONFERENCE ON HEALTH CARE REFORM

The SPEAKER pro tempore (Mr. SIMPSON). 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, tonight I am going to talk about a very important issue before the House-Senate conference committee on HMO reform. I think it is important for the members of the conference to understand the issue of medical necessity. It is probably one of the two or three most important issues that they will have to deal with.

I think it would be useful for those members to know about testimony that occurred before the Committee on Commerce on May 30, 1996. We have been working on this for many years now. On that day, a small nervous woman testified before the House Committee on Commerce. Her testimony was buried in the fourth panel at the end of a very long day about the abuses of managed health care. The reporters had gone, the television cameras had packed up, most of the original crowd had dispersed.

Mr. Speaker, she should have been the first witness that day, not one of the last. She told about the choices that managed care companies and self-insured plans are making every day when they determine "medical necessity." Her name was Linda Peno. She had been a claims reviewer for several HMOs. Here is her story.

"I wish to begin by making a public confession. In the spring of 1987, I caused the death of a man. Although this was known to many people, I have not been taken before 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 and contributed to my advancement afterwards. Not only did I demonstrate that I could do what was asked, expected of me, I exemplified the good company employee. I saved a half a million dollars."

Now, Mr. Speaker, as she spoke, a hush came over the room. The representatives of the trade associations who were still there averted their eyes. The audience shifted uncomfortably in their seats, both gripped by and 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 this 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. The primary ethical norm is do no harm. I did worse, I caused 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." She continued: "I felt little pain or remorse at the time. The man's faceless distance soothed my conscience. Like a skilled soldier, I was trained for the moment. When any moral qualms arose, I was to remember, 'I am not denying care, I am only denying payment.'"

Well, by this time, Mr. Speaker, the trade association representatives were staring at the floor. The Congressmen who had spoken on behalf of the HMOs were distinctly uncomfortable. And the staff, several of whom subsequently became representatives of HMO trade associations, were thanking God that this witness came at the end of the day when all the press had left.

Linda Peno's testimony continued: "At the 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 that man's death, as well as for the immeasurable pain and suffering many other decisions of mine caused."

She then listed the many ways 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 rarely is standardized across the field. The criteria is rarely available for prior review by the physicians or members of the plan." She continued: "We have enough experience from history to demonstrate the consequences of secretive unregulated systems that go awry."

Well, Mr. Speaker, after exposing her own transgressions, she closed by urging everyone in the room to examine their own conscience. "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."

The room was stone quiet. The chairman mumbled thank you. Linda Peno could have rationalized her decisions, as so many do "Well, I was just working within guidelines"; or "I was just following orders"; or "We just have to save resources"; or "Well, this isn't about treatment, it's really just about benefits." But this brave woman refused to continue that denial, and she will do penance for her sins for the rest of her life by exposing the dirty little secret of HMOs determining medical necessity.

My colleagues on the conference committee, please keep in mind the fact that no amount of procedural protection or schemes of external review can help patients if insurers are legislatively given broad powers to determine what standards will be used to make decisions about coverage. As this HMO reviewer so poignantly observed, "Insurers now make treatment decisions by determining what goods and services they will deliver, they will pay for."

The difference between clinical decisions about medically necessary care and decisions about insurance coverage are especially blurred. Because all but the wealthy rely on insurance, the power of insurers to determine coverage gives them the power to dictate professional standards of care. And make no mistake, along with the question of health plan liability, the determination of who should decide when health care is medically necessary is the key issue in patient protection legislation.

Now, Mr. Speaker, contrary to the claims of HMOs that this is some new concept, for over 200 years most private insurers and third-party payers have viewed as medically necessary those products or services provided in accordance with what is called prevailing standards of medical practice. And the courts have been sensitive to the fact that insurers have a conflict of interest because they stand to gain financially from denying care. So the courts have used "clinically derived professional standards of care" to reverse insurers' attempts to deviate from those standards.

This is why it is so important that managed care reform legislation include an independent appeals panel with no financial interest in the outcome, a fair review process utilizing clinical standards of care guarantees that the decision of the review board is made without regard to the financial interest of either the HMO or the doctor. On the other hand, if the review