

of Congress today and all the House and Senate office buildings imploring Members of Congress to vote to support the People's Republic of China, to support most favored nation status trading privileges for China.

Wei Jing Sheng, a Chinese dissident, said the vanguard of the Chinese Communist Party revolution in the United States is America's most prominent and prestigious CEOs.

There are more corporate jets at National Airport today, leading up to the MFN vote, the most favored nation status, trading privileges for China vote, than at any time during the year. Corporations understand. They tell us that China has 1.2 billion potential consumers, that America needs to sell to them. What they really mean to say is China has 1.2 billion workers, investments made from American companies, in China, people making 13 cents and 15 cents and 20 cents an hour, working 60 and 70 and 75 hours a week, selling products back to the United States, exploiting Chinese workers and costing American jobs.

Most favored nation status privilege is permanent. MTR for China is a bad idea. I ask this Congress to defeat it.

COMMUNICATION FROM DISTRICT DIRECTOR OF HON. ROGER F. WICKER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Harold Lollar, Jr., District Director of the Honorable ROGER F. WICKER, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 27, 2000.

Hon. DENNIS J. HASTERT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil trial subpoena for testimony issued by the U.S. District Court for the Northern District of Mississippi.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

HAROLD LOLLAR, Jr.,
District Director.

COMMUNICATION FROM HON. SAM FARR, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable SAM FARR, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 1, 2000.

Hon. DENNIS J. HASTERT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that the

Custodian of Records in my office, the Office of Representative Sam Farr, has been served with a subpoena for production of documents issued by the United States District Court for the Northern District of California.

After consultation with the Office of General Counsel, we will make the determinations required by Rule VIII.

Sincerely,

SAM FARR,
Member of Congress.

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PATIENTS' BILL OF RIGHTS: IS IT NECESSARY LEGISLATION?

The SPEAKER pro tempore (Mr. MILLER of Florida). Under a previous order of the House, the gentleman from Florida (Mr. STEARNS) is recognized for 5 minutes.

Mr. STEARNS. Mr. Speaker, I am here this afternoon to talk about the Patients' Bill of Rights. Is this legislation necessary? The issue of whether or not Americans enrolled in HMOs, health maintenance organizations, need passage of the patient protection in order to sue their plans is currently in conference here in Congress.

Today, I would like to call my colleagues' attention to a study by John S. Hoff. Mr. Hoff wrote this study for the Heritage Foundation, and he outlined some very compelling arguments about why passage of this legislation would result in more government control of our health care system.

It is interesting that we are having this debate, because, Mr. Speaker, I think the majority of Americans already made clear their views on more regulation for health care when the Clinton health care bill was overwhelmingly rejected.

The Heritage Foundation Backgrounder N1350 concludes that increased regulation, plus increased litigation will equal rising costs in health care and, ultimately, more uninsured Americans. The gentleman from Iowa (Mr. GANSKE), my good friend and colleague, has been very critical of this study and did a Special Order to refute the analysis of this health bill. I am not here to comment on his presentation; but my purpose is, more importantly, to talk about Mr. Hoff's analysis and why Mr. Hoff's analysis, I think, has credible evidence. So I am here to merely present the other side of the argument that opposes imposing further Federal Government regulations on health care plans and delivery of health care.

So according to Mr. Hoff, let us take each of the major items. He believes the Patients' Bill of Rights, in conference as we speak, increases regulation. If passed, it would impose detailed regulations by the Federal Government on health care plans and the delivery of health care. The question is, does anyone in this House think passing more government legislation will decrease the Government's in-

volvement? In fact, I think most of us, every time we pass legislation that is going to increase government involvement, there is going to be more regulation. I think the regulation, as Mr. Hoff pointed out, is pervasive in this bill.

For example, private health plans normally evaluate medical services, treatments and procedures. Under the Patients' Bill of Rights, however, managed care plans and fee-for-service plans are allowed to conduct such utilization reviews only, only as specified by the Federal Government. The time allotted for a decision and the status of those making a decision are two examples of such specifications. Further regulation involves an appeals process for denial of coverage. The proposed legislation requires an internal appeals process that follows precise, regulatory details on each and every procedure.

It further requires a provision of external appeals of decisions made in the internal appeals process. The external appeal requires that the plan contract with an entity that is directly or indirectly certified by the Department of Health and Human Services, or the Department of Labor. So there we have it. We have both of these large agencies involved in conducting the reviews. I think this arrangement can lead to a situation in which the final determination of what is covered by a plan is made by an entity certified, regulated, and answerable only to the United States Government.

Mr. Speaker, the proposed legislation also leads to Federal intrusion into the physician-plan relationship. Under the Patients' Bill of Rights, provisions of contracts between plans and health care providers are void if they restrict or have the effect of restricting the provider's ability to advise a patient about their health status or medical treatment. The legislation further intrudes by precluding a plan from discriminating with respect to participation by providers or in payment to them on the basis of license or certification under State law.

Let us take another item. I mentioned earlier increased litigation. In addition to the increased burdens of regulation, this Patients' Bill of Rights in conference is talking about increased litigation. Each of the many regulations contemplated by the legislation will create legal rights that could be causes of action.

In addition to an increasing number of actions that plans may be liable, the legislation opens up employers themselves to the possibility of being sued for damages resulting from denial of coverage. While the bill purports to protect employers if they refrain from the exercise of discretionary authority to make a decision on a claim for benefits, courts have been willing and creative in finding ways around similar provisions.

Defenders of the legislation point to provisions which limit litigation. These provisions,

however, apply to actions brought under ERISA claims only; they do not apply to state tort actions. Tort claims under state law may result in "malpractice-type" lawsuits with large jury awards awarded to sympathetic victims of faceless insurance companies.

Effect of increased regulation and litigation: According to the CBO, the House bill would increase health insurance premiums by 4.1 percent. This increase may lead to more than 1.2 million Americans losing employer-based health coverage. In addition to rising costs, the threat of malpractice suits and the exposure of employers to liability could lead to millions more Americans joining the ranks of the uninsured.

ENACTING PRESCRIPTION DRUG BENEFITS FOR MEDICARE

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

Mr. GREENWOOD. Mr. Speaker, this evening some of my colleagues from the Committee on Commerce, as well as from the Committee on Ways and Means, are going to spend the next hour talking about a subject that is the subject of a lot of talk lately, and that is usually a good sign, because right before the Congress gets around to legislating, the level of rhetoric picks up and the amount of speeches on the floor increases. So I think we are getting actually very close to the point where we will, in fact, enact a prescription drug benefit for Medicare.

In 1965, when Medicare was created, it was a big step in the American health care history. Prior to that time, if one is a retiree, if one was elderly or if one was disabled and one could not afford their own health care, they did not have any. So in 1965, the Congress of the United States, in a historic moment, decided to provide Medicare coverage for the elderly and ultimately for the disabled, and then what it covered was that which is most obvious, hospitalization and visits to physicians. No one really gave serious consideration in 1965 to extending that Medicare benefit to prescription drugs, for a couple of reasons.

Number one, it was a huge step to do what the Congress did in 1965 in providing coverage for hospitalization and physicians; and, secondly, Americans were not relying upon prescription drugs anything like they are today. Today, we are blessed as a Nation, and indeed as a world by an industry that has created miracle drug after miracle drug; wonderful, brilliant scientists in laboratories who have cracked the mysteries of the human genome, who have cracked the mysteries of the human body physiology to the point where we can prescribe and create drugs for a variety of illnesses that used to not only cause great pain and

suffering, but premature death. Today, if one does not have access in the year 2000, if one does not have access to a good prescription drug benefit plan, one simply does not have good access to good health care. So the Congress of the United States, although it has been talking for years about the need to provide this coverage, has heretofore, so far, not accomplished that.

Why can we do it today and why are we talking seriously about it today? We are talking about it today because the Congress, in fact, since the Republicans have taken over the majority of the Congress, have taken the necessary fiscal steps to end the endless deficit spending that our Nation was experiencing for so many years. We have balanced the budget. We have reformed Medicare itself to bring the costs into a reasonable level. We have reformed welfare, and we are going to save something on the order of \$55 billion, or probably \$200 billion over the next 5 years in welfare costs alone. We have taken just this year, just in the last several months, we have taken Social Security finally off budget. We have said that no longer will we spend the Social Security surplus on a host of other causes, but, in fact, we will use Social Security payments only for Social Security and the rest of the surplus will be used to pay down debt; and we are now paying down the Nation's debt.

So finally, now that the budget is balanced, now that we are paying down debt, now that we have a surplus, we are in a position to responsibly, to responsibly provide a prescription drug benefit for Medicare for the Nation's elderly and for the disabled. About two-thirds of the Medicare population already has access to some kind of prescription drug benefit, but a fully one-third does not, and those are disproportionately low-income individuals.

What are our goals in doing this? Number one, we do want to provide affordable coverage to every American who is a Medicare beneficiary by virtue of their age or their disability. Secondly, we want to do that in a way that does not break the bank all over again. We do not want to create a runaway spending program that is unregulated and causes the Federal Government to go back into the bad old days of deficit spending and budgets in the red.

Thirdly, we want to reduce the cost of prescription drugs for everyone who is now paying the highest price. And today, if one does not have a prescription drug plan and a doctor provides a prescription, one walks into a pharmacy and they pay the highest price that anybody pays in the world, you may if you are all alone in the marketplace and do not have anyone to bargain for you.

Finally, we do want to make sure that when we have accomplished this, that the industries, the pharmaceutical

companies and their brilliant scientists, the biological industry that is doing so much to create new miracle cures will be vital enough to continue to provide those products for us into the next generation, the drugs that will eventually cure cancer, that will cure AIDS and so many other ailments.

Mr. Speaker, I am joined this evening first off by a colleague from the Committee on Ways and Means who is working on a joint task force that the Speaker has put together, drawing on members of the Committee on Commerce on which I serve and the Committee on Ways and Means, the distinguished gentlewoman from Connecticut (Mrs. JOHNSON), who is an expert on health care, and I yield the floor to her.

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is a pleasure to be with my colleague tonight to discuss the issue of Medicare covering prescription drugs. It is extremely important that we change the law so that Medicare will cover prescription drugs, because modern medicine, modern medical care, without medicines, is an oxymoron. We cannot have good medical care if we cannot buy prescription drugs that both cure illness now and manage long-term, chronic illnesses; really, as Americans, live longer. This issue of managing chronic illness is going to become a bigger and bigger issue and a more important one in our lives, and management of chronic illness is primarily a medication-based science.

We do have another chart here on the floor that I think is helpful in helping us discuss the problem of prescription drugs, because there is one very significant difference between the President's proposal in this area and the Republicans' proposal, the House Republicans' proposal. That is, if one looks there at the far end where the line goes way up, then one will see that for a small number of seniors, about 15 percent of seniors, 20 percent, the drug costs are extremely high, \$6,000; \$8,000; \$10,000; \$11,000 a year. People on fixed incomes, I mean the great majority, 85, 95, 99 percent of people on fixed incomes cannot handle \$12,000; \$11,000 in prescription drug costs a year.

So we need to look at two things. First of all, we do need to look at protecting all seniors from catastrophic costs, from those very high drug costs often that follow remarkable life-saving, life-preserving, quality-of-life-restoring cardiac surgery, cardiac surgical procedures that we are now capable of. So those very high-end drug costs, we need to protect our seniors against them. We also need to help those seniors that have the lowest incomes, to have a prescription drug benefit without facing the choice of food on the table, of decent shelter, and drugs; and one can see on this chart that the poorer beneficiaries who are