

to safely import quality products rather than having American consumers do this on their own." That is Dr. David Kessler.

Mr. Speaker, I hope tomorrow will win an overwhelming victory for prescription drug consumers in this country.

LIFT MEDICAID CAPS IN U.S. TERRITORIES

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Under a previous order of the House, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, a couple of speakers this evening have talked about the need to improve health care for all American citizens, the most recent speaker talking about prescription drugs, and earlier my colleague talking about a real Patients' Bill of Rights.

This evening I would like to raise another issue, and that is lifting of the Medicaid caps for the Territories of the United States, including my home Island of Guam.

At the start of this Congress, I, along with other territorial delegates from the Virgin Islands, America Samoa, and the Resident Commissioner of Puerto Rico, introduced a bill, H.R. 48, to remove caps on Medicaid payments to the U.S. territories and adjust the statutory matching rate. H.R. 48 is authored by my esteem colleague, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), formerly a practicing physician there.

When this bill was first introduced during the 106th Congress, we reported that Medicaid allotments fell far short of meeting the needs of indigent populations in the Territories, and because of depressed economic conditions, high unemployment rates and the rising health care needs of growing indigent populations, the reliance on Medicaid assistance continues to surge way beyond the Federal cap and beyond the Territorial Government's ability to match Federal funds.

In Guam, for example, for fiscal year 2000, Medicaid assistance was capped at \$5.4 million. However, the Government of Guam, because of the emerging population, spent approximately 3 times that amount to serve the medical needs of the people of Guam. For fiscal year 2001, the Medicaid ceiling is capped at an additional \$200,000 at \$5.6 million. However, the estimated cost to provide medical care to Guam's needy today is approximately \$27 million over that amount, resulting in a dramatic overmatch for the Government of Guam, way beyond any match that is expected of any State jurisdiction.

I fear the squeeze will even be greater as the Government of Guam implements the President's tax cut plan which has a deep impact on the econo-

mies of Guam and the Virgin Islands. These two U.S. jurisdictions have tax systems which mirror the Internal Revenue Code of the United States, which means whatever tax policies are implemented on the Federal level automatically take effect at the local level, even without consulting us. The Government of Guam has no surplus to cover the anticipated \$30 million shortfall in revenues which will occur resulting from this tax cut.

Thus, the struggle to provide medical services to Guam's needy will be more than the local economy can bear. Lifting the Medicaid caps for territories and changing the Federal Territorial matching rate currently set at 50-50 would provide relief to the neediest populations of the Territories.

This legislation proposes that the Federal Territorial matching share be set at the share of the poorest State, which is currently a 77 to 23 Federal-State match. Congress must consider the reality that Territorial Governments have not shared in the same economic prosperity which has been experienced in the U.S. mainland, and should recognize this by changing the matching rate.

I stand here this evening to urge my colleagues to join in support of H.R. 48. Health care is an issue of importance to every American, whether they reside in the 50 States or the U.S. Territories. Resolving Medicaid issues in the Territories is a step in the right direction towards providing much needed health care relief for Americans, no matter where they live. We are all one country when it comes to responsibilities like service to our country. We should all be one country when it comes to realizing benefits and services like health care.

CORRECT UNEQUAL TREATMENT AMERICANS IN THE TERRITORIES RECEIVE FROM MEDICAID PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 5 minutes.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to join my colleague from Guam in once again speaking out against the unequal treatment that the American citizens in the Territories receive from the Medicaid program. By virtue of where we live and only by virtue of where we live, low-income Americans in the territories are not able to receive the full benefits of the Medicaid program.

For the residents of my district, the U.S. Virgin Islands, in order for a family of 4 to qualify for medical care under Medicaid, the maximum salary that a family can earn is \$8,500 a year, one-half of the Federal minimum wage. By contrast, in year 2002, all States at

a minimum will provide Medicaid for all children 19 years old and younger living in families at or below the poverty level at \$17,050 for a family of 4, more than twice that amount.

Historically the Government of the Virgin Islands matched the Federal contribution with a combination of cash and in kind. When the value of both is added, it equaled and many times exceeded the Federal contribution. While this resolves the Federal requirement on paper, it has created a financial havoc for the Territorial hospitals and clinics that really incur the cost of in-kind services but never get reimbursed.

Because of the cap and 50-50 local match, the local Virgin Islands Government also bears the brunt of the cost of the Medicaid program contributing 66 percent or more on average, adding to the burden of the Territory.

In addition, because our hospitals do not get DSH payments to supplement the large amount of low-income patients that we serve, this creates an additional financial burden on the Territory's hospitals; and compounding this dilemma is the fact that the Virgin Islanders, nor do the residents of Guam, get SSI benefits, which means that our disabled citizens are also excluded from the benefits of this program, again just because of where we live. I place emphasis on "where we choose to live" because the fact that all a low-income Virgin Islands resident has to do to receive SSI or full Medicaid benefits is to move to Miami or New York where a growing number of our residents now reside. We would prefer to keep our poor, sick and disabled residents at home instead of sending them to these districts because of an inequity in the law.

Moreover, it is plain wrong that families must move away from their homes and friends in order to receive a benefit that their fellow citizens on the mainland do not have to leave their home to receive.

Why does this unequal treatment exist? The answer most given is that the Territories do not pay Federal income taxes, but it is not as simple as that. The fact is that people who receive SSI and themselves in the States do not pay Federal taxes because they do not earn enough money.

This Congress in their wisdom, through the earned income tax credit and other tax credits, allow low-income Americans to pay very little Federal taxes. But these same citizens, like my constituents, all pay Social Security and Medicare payroll taxes for which there are no credits or exemptions.

How is it that one group of American citizens, or even residents who are not yet citizens, can receive medical care even though they do not pay Federal taxes while another group does not. Likewise when my constituents are called to serve their country when we