

so. We are saying that pursuing fraud the way that we can save almost \$100 billion. The inspector general says that 10 percent of Medicare moneys are fraudulent, that over the space of the next 7 years, \$200 billion will be lost to fraud. If we can go after that fraud, whether it is durable medical equipment reform, whether it is putting in civil penalties for kickbacks, whether it is strengthening conflict of interest rules, whether it is grand jury disclosure, increased subpoena authority, all these together, if we can only save half, if we can only recover half of the fraud in the Medicare system, we will have more than enough to meet the trustees' recommendation, to keep Medicare strong for the next 10 years.

Mr. Speaker, it simply does not make sense to make these cuts in Medicare to give tax breaks to the wealthy. We should go after fraud aggressively. We should crack down on fraud, not cut senior citizens' ability to get health care.

MEDICARE DECEPTION

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. McDERMOTT] is recognized for 60 minutes as the designee of the minority leader.

Mr. McDERMOTT. Mr. Speaker, in these Halls in 2 days we will have a vote on H.R. 2425. It is the Republicans' plan to slash Medicare by \$270 billion over the next 7 years. Now, if you believe the Republican rhetoric, every one of us here would think that these drastic cuts are necessary to prevent the Medicare program from going bankrupt. Nothing could be further from the truth. These cuts have little to do with saving Medicare or the part A trust fund.

Let me say, we throw terms around in this House that are often not well understood by the public. Medicare is divided into two pieces: part A, which is the hospital payments, and part B, which is the payments to doctors and other providers of services to the elderly. These cuts have little to do with saving part A.

The Republicans are cutting \$270 billion from Medicare because they want to use that money to offset the \$245 billion in tax cuts for wealthy Americans.

Now, ask yourself this: If the Republicans were so concerned about the impending bankruptcy of the Medicare trust fund, how come they never mentioned it before November 1994? It is ironic, when you think about it, that with all of the Republican rhetoric about saving the trust fund, the only action they took this year in 1995 was to approve a tax provision in the Contract on America which takes money out of the hospital trust fund through a reduction in the amount of Social Security taxes paid. Over \$36 billion would be removed from the fund over the next 7 years as a result of that leg-

islation that has already passed this floor.

You heard me right. The first thing the Republicans did was to take \$36 billion out of the trust fund. They will stand out here and say we have to put this money into the trust fund, but the first thing they did was to take it out.

Furthermore, the issue of the insolvency of the part A trust fund has simply nothing to do with Medicare's supplementary insurance that is part B, the report of the part B trustees, which you never hear mentioned on this floor, is that part B is actuarially sound. It is absolutely financed.

Therefore, if you are making cuts in Medicare which are being made solely to save part A, the hospital part, there is no need to take \$140 billion in cuts out of part B. Almost \$54 billion is in increased premiums to seniors that they pay each month. That is not necessary to save part A.

Not 1 cent of the money cut from part B in their proposal, which you will see on Thursday, will go into part A. The dollars go into the general fund to take care of the tax cuts which will follow.

As a result of the increasing public opposition to these drastic cuts in Medicare, the Republicans had to do something, which is saying, you are just shifting the money around. So they said, we will create a lockbox which they claim will sever the connection between the Medicare savings and the tax cut. They are going to try and divide it.

One of the reasons why we are voting on Medicare this week and the tax breaks next week is they do not want you to think there is any connection. This lockbox is simply an illusion. It is really a return to the kind of smoke and mirrors budget gimmickry that they hope will fool the American people.

The Republicans think that the American people are stupid. They want us to believe that by depositing the money they cut from Medicare into a separate account, they can prove that the Medicare cuts will not pay for tax breaks.

Now, we all know that money is fungible. The term we use around here is fungible. You can use it here, you can use it there. It makes absolutely no difference which government account the money is put into or taken out of. The Government must pay its bills, and it does not matter which checking account it is in. You can have a bunch of different checking accounts. It is still government money. It comes from taxes. They are just simply trying to hide it.

The bottom line is that the Republican lockbox is just a new Federal bank account. The Republican Medicare bill and the rhetoric that makes it sound as if no spending is allowed out of the lockbox is simply an illusion.

Their bill allows borrowing. They put it into the lockbox. You cannot spend it, they say, but you can borrow it. In

fact, it requires the lockbox to lend money to the Department of the Treasury.

Coincidentally, of course, the Treasury Department needs these funds because of the Republican tax break. The American people need to know that the money from the cuts in Medicare not only goes into the new lockbox, but the money goes right through the lockbox and into the pockets of the wealthiest taxpayers who will benefit from the Republican tax cut. Over half of that \$245 billion in tax breaks goes to people making more than \$100,000.

Now, to further mislead the American people, the Republican leadership has suddenly decided that this Medicare legislation will have a separate vote in the House of Representatives. The Medicare legislation will be considered separate from reconciliation. On Thursday we do Medicare. Next week or sometime thereafter, who knows, we will have the reconciliation bill which will have all the tax breaks in it, and the Medicare legislation will be incorporated by reference.

That is a fancy term we use in the Congress to say, what happened a few days ago applies today. They will say they are totally disconnected, but in fact the bill contains an incorporation by reference.

Without that phrase, without that incorporation by reference, the Congressional Budget Office would not be able to count the Medicare cuts in determining whether the reconciliation bill includes enough deficit reduction to allow the \$245 billion in tax breaks to go forward.

The Republican leadership has created a perfect scenario for spin control and deception. They can argue that the \$270 billion in Medicare cuts are separate from the \$245 billion in tax breaks while at the same time counting the savings from Medicare toward the amounts needed to balance the budget.

Now, you can get as fancy parliamentarily as you want to here, but no amount of procedural vote wrangling or accounting gimmicks can hide the fact that the \$270 billion in Medicare cuts are tied to the \$245 billion in tax breaks. The numbers match.

In addition to creating this lockbox, which could be raided at any time, the Republican bill does not extend the solvency of the part A hospital trust fund any longer than the Democratic substitute bill but it slashes Medicare by three times as much. The Republicans cannot hide this any longer.

Although they claim that their plan will extend the solvency of part A until 2014, and you will hear this on Thursday, you will hear 2014, it is not true. The net impact of the Republican plan is to extend the solvency of the hospital trust fund, part A, until 2006 at a cost of \$270 billion.

I dropped in a bill, H.R. 2422, which also extends the Medicare trust fund until 2006, but it costs \$90 billion, not \$270 billion, \$90 billion.

Four of the Medicare trustees and the HCFA Administrator—HCFA is

Health Care Financing Administration, for those of you who have forgotten—the HCFA Administrator, who runs this thing, says that the reductions in part A are approximately \$89 billion and would be enough to ensure solvency to 2006.

The Republicans can only achieve \$270 billion in cuts by drastically reducing benefits to seniors and shifting the costs onto beneficiaries; that means senior citizens and their families. The Republicans want to reduce the Medicare Program to a worthless shell.

Medicare that seniors know today will exist in name only while providing no real health care or economic security to the beneficiaries and their families. People will pay more and get less.

Despite the \$270 billion in Medicare cuts, the Republican bill does nothing to solve the problem of baby boomers entering the Medicare Program in 2010.

Now, lots of people throw this term baby boomers around. I am not always sure they understand what we mean by that. If you were born after 1945, you will be 65 in 2010, and you come into Medicare. Anybody born after 1945 is a baby boomer. They are the people who come into the program in 2010.

On December 27, 1995, I introduced a bill, the Medicare Security Act, which extends the solvency of the Medicare trust fund until 2006 and creates a bipartisan commission to deal with this problem of the baby boomers.

In response to the introduction of my alternative Medicare bills, the Committee on Ways and Means chairman, the gentleman from Texas [Mr. ARCHER], stated in a press release: "Any proposal that fails to save Medicare until the eve of the baby boom retirement must be considered a failure."

Well, Mr. Speaker, the chairman by his own standard failed in his Medicare bill. According to the actuaries for the Medicare trust fund, the Republican plan would extend the life of the hospital trust fund, part A, through the third quarter of calendar year 2006. That is a quote from a letter dated 11 October 1995 to the gentleman from Florida [Mr. GIBBONS] from the HCFA Administrator, Bruce Vladeck, based on data from the Medicare actuaries.

The year 2006 is 5 years before the first baby boomers begin to retire in 2011 and 8 years shorter than the Republican claims of solvency until 2014.

In addition to cutting three times more than is needed for Medicare to stabilize the part A trust fund until 2006, the Republican bill is loaded with sweeteners for various interest groups to silence any opposition.

As a doctor, it is troubling to me to see members of the American Medical Association put their own interests ahead of their patients by cutting backroom deals with the Speaker in exchange for their support of the Republican bill. In a bill in which beneficiaries are being asked to contribute \$53 billion more, the doctors were negotiating provisions allowing them to

create their own health care plans and avoid further reductions in their fees.

□ 1845

The Republican bill will allow doctors, as well as hospitals, to create doctor-hospital networks to sell health insurance plans directly to Medicare beneficiaries. These new networks will be called provider-sponsored networks or PSN's. It is a new term for you to learn because you are going to hear it endlessly on Thursday. Provider-sponsored networks; that means doctors are out there doing whatever they want with hospitals under special Federal rules which will preempt, which will preempt, override, existing State laws. It will allow the PSN's to operate with lower financial reserve requirements and other standards than are required for HMO's and private insurers. That means the insurance commissioner in the 50 States will not be able to control and regulate what these PSN's are out selling to beneficiaries.

To allow these PSN's to operate immediately, Mr. Speaker, the Medicare plan by the Republicans changes existing antitrust laws and says that the States do not need, the PSN's do not need, State licenses. Clearly, being exempt from existing State regulation will give these PSN's an unfair competitive advantage for doctors and hospitals over existing HMO's. If that was not enough, other giveaways to doctors are limits on medical malpractice awards for pain and suffering to \$250,000.

The approach taken by this bill is extremely one-sided and does nothing to protect and promote the legal rights of injured patients. The Republican bill only seeks to protect doctors from full legal and financial accountability for their negligent behavior while restricting the ability of patients and their families to receive fair and adequate compensation.

The list of benefits for doctors goes on, rolling back vital Federal oversight of clinical laboratories in doctor's offices. In other words, doctors can refer to their own laboratories. They eliminate provisions on doctors' self-referral. They provide unwarranted antitrust relief for physicians. They provide the ability to charge Medicare Plus, and that is what they are going to try and push all the seniors into, is Medicare Plus. They are going to allow the doctors to charge higher fees, and they also set a new formula for setting fees in the old traditional Medicare. Mr. Speaker, it is clear that the only interest the American Medical Association has in Medicare is a financial interest for themselves.

The Republican plan also offers beneficiaries some false choices and false promises of security. The Republican plan creates Medicare Plus; I mentioned it earlier. It is a program which is advertised as offering seniors more choice of health care options, but in reality will create divisions and inequalities within Medicare. Medicare Plus

will actually force beneficiaries to pay more for less while initiating what I call a death watch for the traditional Medicare Program. Medicare Plus under the Republican plan will be available as an alternative to traditional Medicare fee for service.

Now what is Medicare Plus? Well, it really is managed-care plans, some new types of specifically specially structured health plans such as the PSN's I talked about, medical savings accounts, and health plans offered by qualified associations like the Chamber of Commerce. I do not know; it is not clear in the bill. It is simply there.

Unfortunately for seniors all these new choices for health care are based on a false promise because Medicare Plus, Medicare's contribution to these plans, will be a defined contribution or a fixed amount of money which will be given each year which will decline over time resulting in seniors being able to purchase less and less health insurance. It is right in the bill.

Now what does that mean for seniors? Well, it is pretty simple. It means that an underfunded voucher, they hand you something that will buy for this year what next year will buy you 20 percent less, and this time, instead of the Government sending the voucher to the beneficiary, to the senior, they are going to send it to the health plan.

Under the Republican plan, Mr. Speaker, the total annual growth in the size of vouchers for health care plans is set at 4.7 percent. Now where did that number come from? It came out of the air. There is no basis for that. We expect, and CBO expects, that private health insurance premiums will grow at 7.1 percent. So, if it is growing for everybody else in the society at 7.1 percent, but we are going to only pay 4.7 for seniors under this Medicare Plus, you can see that gradually the buying power of senior citizens is going down by a couple of percent every year. By the time we get to 2002, you will be paying a thousand dollars more out of your pocket if you are a senior citizen buying health care than you are today.

Now that is a rate of 30 percent higher than the Medicare vouchers are allowed to grow. The private sector is still going to grow 30 percent faster than Medicare will be allowed to grow. It does not take a rocket scientist to figure out that the Republican vouchers are putting seniors on a road to second-class health care. The vouchers will quickly buy less and less coverage on their Medicare Plus, and beneficiaries will have to pay the difference, or their families. If you realize that there are more than 3 million widows in this country living on less than \$8,000, and you are talking about the year 2002 they are going to have to come up with another grand out of their pocket, you know they cannot do it. Their kids will have to do, if they are lucky to have kids who have the money to do it. Somebody else is going to have to pay for it because these seniors are not going to be able to do it.

Mr. Speaker, the additional out-of-pocket costs which will be paid by seniors makes it clear that the additional choices provided by Medicare Plus do nothing to reduce the health care costs overall. It is an arbitrary 4.7 annual growth limit on vouchers. That saves money to be given for a tax break to the richest Americans.

In addition to having to pay the difference between the value of the voucher and the cost of the benefit package, seniors enrolled in Medicare Plus will also be liable for extra charges by providers trying to compensate for Medicare's declining provider reimbursement rates, so if we cut the doctors what they are paid under Medicare, and you allow the doctors to balance bill, they can get it back out of the senior because we have taken off the protection against balance billing.

These extra charges, as I say, are called balance billing. It is a practice by which providers charge beneficiaries more than Medicare approves. The restrictions in current law on balance billing, which permits no balance billing by hospitals and only limited balance billing by seniors, will not exist for seniors enrolled in the Medicare Plus plan. This is a very important concept. There will be no protection for seniors against these hidden new charges, and doctors will have a financial incentive to no longer see patients in traditional Medicare. If you stay in traditional Medicare, they cannot charge you balance billing. If you go into Medicare Plus, they can get you. Now that is what I call a real revolution.

One of the most egregious examples of waste in this Medicare plan are the Medicare savings accounts which are an option under Medicare Plus. Every legitimate health care expert has agreed that a MSA, medical savings account option, will result in extra costs for the Medicare program and weaken the hospital trust fund. MSA's allow beneficiaries to choose a high-deductible health plan combined with a fixed deposit from the Government into an MSA to cover their routine health care costs.

Let us say the Government gives you \$5,000, and you take a thousand of it and buy a \$10,000 deductible program. Then you got \$4,000 in the plan, and you can use that to cover your routine health costs. If you do not spend anything, you got \$4,000 bucks for yourself, and the healthy seniors will do very well on that, but people who have real problems are going to be a problem for the system.

Mr. Speaker, CBO says that the MSA's in this bill will increase, I emphasize increase, Medicare costs by \$2.3 billion. It is not a savings mechanism for the system. It is a giveaway to people who opt out of the Medicare system.

Now this money that could have been spent on health care for senior citizens will instead go to the healthiest and wealthiest of seniors. Medicare loses

money with MSA's because healthy people will choose the MSA option while Medicare lacks the ability to adjust the MSA payments for the risk factors. Furthermore, the idea that MSA's will protect freedom of choice for seniors is a sham. Once this product, once the MSA's are out there and become widespread, the insurance companies will take over the MSA product, and they will change it to managed care. The result for seniors will be a high-deductible plan with a managed-care product at the end of your deductible.

Mr. Speaker, this is not Medicare reform. It is one of the first steps in the destruction of the traditional Medicare and elimination of the guarantee of health care for all senior citizens.

The impact of \$148 billion in cuts to Medicare providers under the Republican plan will create severe hardships in rural areas. It is not just a city problem. We are talking about rural areas where hospitals exist in many cases almost totally on Medicare and Medicaid payments because retired seniors are living out there, and that is what keeps those rural hospitals going. Rural hospitals and clinics already are in financial difficulty, and they will be hard pressed to absorb the reductions mandated by the Republican bill. In addition, the urban hospitals will be forced to accept added reductions and special Medicare payments for uncompensated care. Big-city hospitals take care of a lot of people who come in who do not have any way to pay, and Medicare gives them money to cover that. It is called dish payments, disproportionate share. Those payments are made by Medicare, and, when we cut those out in this bill, those hospitals are going to be in even worse shape.

Now, if all of this was not bad enough, in addition to the \$148 billion cut from providers, that is doctors and other people who provide services, the Republican bill includes something called a fail-safe mechanism requiring an additional \$37 billion in cuts from providers if Medicare spending does not meet the arbitrary targets set in this budget resolution. What they are admitting here is they do not know how it is going to come out, and just in case it does not work, they will cut another \$37 billion out of doctors and whatever with no specificity. You do not know what is going to happen. What will happen to home health care? Who knows. What will happen to nursing visits, Visiting Nurse Association kinds of things? Who knows? That \$37 billion is sort of sitting there waiting to take a whack out of these things someplace down the road.

Now this fail-safe mechanism will only affect the traditional fee-for-service Medicare system. Is that fair? Why only the traditional one that people have known, and have lived with and felt secure with? Why not the MedicarePlus? Well, it is pretty obvious. It is simply an assault on the Med-

icare plan that every senior citizen in this country knows and understands.

Slashing reimbursements to doctors who remain in the traditional fee-for-service system will result in more and more doctors leaving Medicare to join these PSN's, these provider service networks, where they can escape State regulation and charge beneficiaries more.

□ 1900

Over time, Medicare beneficiaries will find that the Republican Medicare bill will force their family doctors to leave them and join a provider service network.

If you do a survey of seniors and ask them for suggestions on how to control the rate of growth of the Medicare Program, nine out of 10 seniors will respond that the Government needs to crack down on fraud and abuse in the Medicare system. The Republican plan does nothing, nothing to curtail fraud and abuse, and instead, does the exact opposite by weakening the administration's efforts to combat fraud and abuse.

The GAO, that is the Government Accounting Office, they are the people who go in and look and see if the numbers really add up, they estimate that fraud and abuse in the health care industry account for an estimated 10 percent of our yearly private and public health care expenditures. Based on that estimate, fraudulent payments in 1994 amounted to nearly \$94 billion in this country. Broken down, that amounts to approximately \$258 million a day, or \$11 million every single hour.

As the General Accounting Office stated in testimony before the Committee on Ways and Means, Medicare has already begun to address the problem, and actually leads the private sector in health care anti-fraud and abuse efforts. Unfortunately, in spite of all the rhetoric you hear about fraud and abuse, the Republican proposal loosens the rules that outlaws kickbacks and that requires providers to exercise due diligence in submitting accurate and true Medicare claims.

That is not just Democrat rhetoric against the Republican bill. Under the Republicans, the Congressional Budget Office has estimated that the Republican fraud and abuse provisions will cost, cost the Medicare program over \$1 billion from 1996 to 2002. That is right. Get it straight. The Republican bill encourages \$1 billion in fraud and abuse in the Medicare program. All three of the Federal Government's health law enforcement agencies have spoken out against the Republican plan. It is too bad, in my opinion, that the Republicans are too stubborn to listen to the people who actually enforce the law.

It really is time to focus on the facts. The Republicans are cutting Medicare by \$270 billion to pay for unnecessary tax cuts, and they at the same time are starting the death spiral of the traditional Medicare program. My bill, H.R. 2422, the Medicare Security Act, shows

the American people that we can protect the Medicare program without hurting our beneficiaries, or disrupting our health care delivery system.

I would be the last person in this House to dispute the fact that Medicare is growing too rapidly, and its rate of growth needs to be controlled, if we are going to avoid bankrupting the Federal Government. However we do not need to cut \$270 billion from the Medicare program over the next 7 years. Cuts of this magnitude do nothing to save the Medicare program, or extend the solvency of the part A hospital trust fund any longer than is extended by my bill to 2006. Medicare is being cut for one reason and one reason only: That is, to balance the budget and pay for the tax cuts in the amount of \$245 billion.

My bill shows Medicare spending by \$90 billion over the next 7 years, which would keep the part A solvent until 2006. This gives the Congress and the President 10 years to fix the problem of the baby boomers entering the Medicare system, without imposing any hidden costs on seniors or impeding their access to care.

As a reasonable alternative, my bill cuts \$67 billion from Medicare part A and \$23 billion from part B. All of the part B savings go into Part A to make it solvent. These cuts are basically technical adjustments that the health care delivery system can absorb and that will preserve the same level of Medicare coverage and benefits that beneficiaries have today, which is quite different than the Republican bill. Equally important, my bill ensures that the savings in the Medicare program will not create profound disruptions in the health care delivery system, or our teaching hospitals, or access to quality care by our seniors.

My approach avoids the substantial increases in both the cost of private insurance and the number of uninsured persons which the Republican plan guarantees. The cuts in my bill are distributed throughout the health care system in an equitable manner to doctors, hospitals, home health agencies, and skilled nursing facilities. In my bill, there are no increased costs to beneficiaries, and adjustments to provider reimbursements have been specifically tailored to protect the basic elements of our health care infrastructure.

The Medicare Security Act will not place any additional financial burdens on our elderly poor or their families. You have to understand that fully 83 percent of Medicare expenditures are for beneficiaries in this country, senior citizens in this country, with incomes of less than \$25,000. We are talking about people who are living a comfortable life, they are not in poverty, but they are not rolling in money. This is a program that protects the basic American infrastructure that has built this country, people that paid their way, that made this country what it is.

Beneficiary payments and copayments should be increased only as a last resort, because these seniors simply cannot afford a doubling of the part B premium, which is what is anticipated under the Republican plan. Their part B premium, that is, for the doctors, already rises from \$46 a month to \$87 a month by the year 2002.

Under my plan, the premiums, as they have grown each year a little bit, will be increased to \$58 per month. That is a savings of \$30 a month for senior citizens. The real problem, and I think the thing that has been missed in all this debate, because most people walk around thinking this is a senior citizens issue, it really is not a senior citizens issue only. It is partly theirs, but it really is also everyone else's in the population, because the problem for Medicare starts in 2010, when the baby boomers enter the program.

Many young people in this country do not believe that Medicare will be there for them when they reach that age. They say, "Why should I pay for Medicare, because it is not going to be there when I get to be 65." That is a legitimate concern. The Republicans' proposal to slash Medicare does nothing to solve that problem. For that reason, my bill, like the Republican bill, creates a bipartisan commission to specifically address the changes needed in Medicare and in health care coverage and finance generally to accommodate those aging baby boomers in 2010.

You may say, "Why another commission?" In 1983, this House was worried about Social Security. There were thoughts it was going to be insolvent. It would not be there at some point in the future. They formed a commission, made recommendations to this House, we changed some of the laws, and it is now solvent to about 2040. It is that proposal that we have before this House in terms of a bipartisan commission to facilitate the national debate, which is necessary to determine what kind of Medicare program we want for older Americans, and whether or not we as a Nation are willing to pay for that program.

We have to make a decision again that was made in 1965. The reason we have to make it now is that we have been so successful. Medicare has been successful. People are living longer. They are living more productive lives. We have more ways in which we can extend life and make life meaningful, and it is costing more. We have to have that debate again. Are we willing to do that for the rest of the society when they get to be 65, and are we willing to pay for it?

This blue ribbon commission created by my bill will be charged with the responsibility of building a national consensus on the future of Medicare. This commission will make recommendations to the Congress by January 1, 1998. That is 8 years before any future Medicare collapse in 2006. It is clearly possible for them to do that over the next 2 years, and they should do it. I

firmly believe that this commission is the most important part of the bill, and the most important part of this Medicare debate.

Before making radical changes in the structure of Medicare, let us have an open and honest debate about what we can do to fix Medicare without destroying it. Changes in Medicare of the magnitude proposed by the Republicans should not be rammed through the House of Representatives after one day of floor debate. Four hours and we are going to ram it out of here.

We had not one day of testimony before the Committee on Ways and Means on the proposal that was voted out last week. We had many days talking about what the problem was. You will hear people say, "We had days and days of hearings on it;" yes, describing the problem, but not a single day was spent in careful examination, with people coming in from the outside to talk about what the effects of their proposal really would be, so we are going to ram something out of here destroying Medicare, and it does not have to happen.

My bill lays down a marker for honesty and simplicity. According to the Congressional Budget Office, this bill and the Republican Medicare bill take the Nation to the same destination, 2006. Fortunately, my bill costs one-third as much, and I believe that is what the House ought to go for. I can see no reason to dismantle Medicare simply for the sake of a tax cut for the wealthiest Americans.

Mr. Speaker, I yield to my colleague, the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding to me. I applaud him on his work.

Mr. Speaker, I would remind the gentleman that several years ago we were in discussion about another issue.

Mr. MCDERMOTT. If you are talking about single-payer, I am ready to go.

Mr. SANDERS. At that time we were not talking about making savage cuts in Medicare or making savage cuts in Medicaid. At that time what the gentleman was doing and many other Members of this House, and what I was trying to do, is bring forth a program that would not be cutting programs for the seniors or the low-income people, but in fact, in a cost-effective way, would be guaranteeing health care to every man, woman, and child in this country without out of pocket expense. In fact, it would be providing health care to all of our people without spending any more than we are currently spending. We have come a long way in 2 years. Unfortunately, we have moved rapidly in the wrong direction.

Today, instead of talking about how we are going to cover everybody, what we are talking about is how we are going to throw huge numbers of people off of health insurance altogether.

What I wanted to focus on for a few moments is the impact of the cuts in Medicare and Medicaid on small, rural States like the State of Vermont. As

the gentleman indicated, in terms of the Medicare cuts, we are talking about a \$270 billion cut over a 7-year period. In terms of Medicaid, we are talking about a \$180 billion cut over 7 years. I want to make a point here that is not made often enough, I think, that the cuts in Medicare and the cuts in Medicaid are only part of an overall attack by the Republican leadership on senior citizens in general. Medicare, yes; Medicaid, yes, cuts. The LIHEAP program, the fuel assistance program that is very important in the cold weather States like Vermont, is being proposed for elimination by the Speaker, the gentleman from Georgia [Mr. GINGRICH], and the other leaders in the House. What that means is that many elderly people throughout this country are going to find it very difficult to pay the fuel bills when the weather gets to be 20 below zero in the State of Vermont.

I would also mention that senior citizen housing, which is very important in the State of Vermont, and I am sure important in Washington State as well, is targeted for no more new construction. In Vermont senior citizen housing is terribly important. I used to be the mayor of Burlington, VT. We had long waiting lists of elderly people who wanted to get into the reasonably inexpensively comfortable senior citizens housing. No more senior citizen housing.

Furthermore, we are talking about the elimination of the RSVP program and other senior citizen programs, so we should look at the cuts in Medicare and Medicaid within a broader scope, and that is part of a savage attack on the needs of elderly people.

The gentleman is correct when he talks about the fact that the real reason behind these terrible cuts in Medicare and also in Medicaid have far more to do with tax breaks for the wealthy than they do with protecting the Medicare system.

The Republican leadership is proposing a \$245 billion tax break over a 7-year period, and much of those tax breaks are going to the wealthiest people in America. In addition to the individual tax breaks, we should reemphasize the point, reiterate the point, that the Republicans are proposing to repeal the minimum corporate tax, so on one hand we are going to be telling elderly people that they must pay more for health care when they cannot afford it. On the other hand, we are telling the largest corporations in America who make billions of dollars in profits, whose profits now are at an all-time high, that they are not going to have to pay any taxes at all.

□ 1915

Furthermore, we are talking about increases in military spending, more money for B-2 bombers, more money for star wars.

Furthermore, we are talking about the maintenance of a system which provides \$125 billion a year in corporate welfare.

Now, why, in God's name, are we cutting back on Medicare, cutting back on Medicaid, but not making significant cuts in corporate welfare, which is tax breaks for the wealthy and subsidies for large corporations.

In my State of Vermont, as a result of the Republican Medicare cuts, some 80,000 senior citizens and disabled Vermonters will be paying higher premiums for a weakened Medicare system. In Vermont, these cuts represent a \$356 million loss of revenue. As a result of the Republican proposal, Medicare part B premiums will rise from the current cost of \$46.10 a month to \$87 per month in the year 2002. Under current law, the part B premiums would have increased to \$61 a month.

In other words, the Republican proposal will cost Vermont senior citizens and disabled people, by the year 2002, \$312 a year more in part B premiums.

What I would point out is that there may be some people who are not senior citizens who think, well, Medicare is providing great coverage right now. Is that not great? As I know the gentleman from Washington knows, that is not the case. In my State of Vermont, I talk to many seniors who have Medicare who today cannot afford the high cost of prescriptions. They cannot afford to pay their fuel bills. They are hurting, despite Medicare, as the gentleman, I think, knows. Elderly people are paying a larger percentage of their fixed incomes out of their own pockets for health care today than before Medicare because of the escalating cost of Medicare in America. So with Medicare today untouched, many of the elderly are having a hard time affording their health care needs. With these cuts, there will be an absolute disaster.

I also want to say a word on the issue of Medicaid. Medicaid, of course, applies to many senior citizens who use Medicaid for long-term care in nursing homes, but it also applies to the low-income disabled, and it applies to low-income children, and I would hope that the American people would take a deep breath and take a look at the values of a society which say, yes, more money for star wars, more money for B-2 bombers, more money for corporate welfare, more money for tax breaks for the rich, but we are going to go after the weakest and most vulnerable people in our society, low-income elderly people, low-income disabled people, and low-income children. What a set of values. It does not make a whole lot of sense to me.

I would also point out that in the State of Vermont and all over the country, when these cuts come to Medicaid and these cuts come to Medicare, many, many middle-class families today that are struggling with declining incomes are suddenly going to wake up and find out that they are going to have to pay more out of their limited incomes to take care of their parents who are in senior citizen nursing homes or wherever, because Medicaid will not be covering those needs.

I would also point out that in rural States these Medicaid cuts are going to be very devastating, and the Medicare cuts as well, for our hospitals. We do not have huge hospitals. Many of the hospitals in the State of Vermont are small, rural hospitals which today are barely hanging in, and when we appreciate the fact that in the State of Vermont, a rural State, 55 percent on average, 55 percent of the revenue that comes into the hospitals comes from Medicare or Medicaid, there is no debate that in rural America and in rural Vermont, many of the hospitals, we have hospitals, Central Vermont Hospital, 60 percent of the revenue comes from Medicare and Medicaid, Grace College, 66 percent, North Country Hospital, 64 percent, Northeastern, 59 percent, Northwestern, 59 percent, Springfield Hospital, 61 percent, Mt. Ascutney, 68 percent of their revenues coming in from Medicare and Medicaid. How do these hospitals continue if there are savage cuts in those programs?

The last point I want to make, and the gentleman from Washington has already made this point, is we are talking about drastic cuts in programs which are going to affect tens of millions of Americans all over this country. The calls coming into my office now are primarily calls which say, "Bernie, do not cut Medicare. Do not Medicaid. We just can't survive if those programs are cut." I am sure that is true of most of the Members of this House.

One would think, one might think that when we are talking about drastic cuts in programs which affect the lives of tens and tens of millions of American people, there would be very long, serious debates in committee and on the floor of this House, that these debates would go on day after day, we would hear discussion from the most knowledgeable people in America as well as from the senior citizens and the low-income people who are going to be impacted. But as the gentleman has already points out, that debate is very, very limited, and we know the reason why.

I think the Republican leadership understands that the more the American people learn about their proposals, and the polls all indicate this, the less support there is for that. So they are trying to push these things through and in, I think, a very unfair and undemocratic way.

I thank the gentleman from Washington very much for the opportunity, to say a few words.

Mr. McDERMOTT. Your last point reminds me of the fact that Seattle is playing, tonight, baseball against the Cleveland Indians. The pitcher on the mound is a guy named Randy Johnson, who throws about a 95-mile-an-hour fast ball. The Republicans are throwing a 95-mile-an-hour fast ball past the American people. They want this jammed through here so fast that nobody can really figure it out. That is

really what this is all about, only they do not understand it. The American people have seen that pitch before, and they are going to hang in there and clobber it. I hope the Cleveland Indians cannot clobber Randy Johnson tonight.

Mr. SANDERS. I would remind the gentleman a couple of years ago we did a poll in the State of Vermont. We asked Vermonters if, given a choice between raising taxes on upper-income people or cutting Medicare, what would they prefer. Overwhelmingly, people said if the choice is cutting Medicare or raising taxes on upper-income folks, we should raise taxes on upper-income folks.

What would be the poll results if we said should we lower taxes on the richest people in America and cut Medicare? I do not know of 5 percent of the population who thinks that is a good idea. That is why they want to move this thing through the House so very fast.

Mr. McDERMOTT. Absolutely. I thank the gentleman very much.

THE PROGRAM TO SAVE MEDICARE

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MILLER] is recognized for 60 minutes as the designee of the majority leader.

Mr. MILLER of Florida. Mr. Speaker, we are finally coming down to the time we are actually going to be able to vote on the Medicare Program. I am excited about the fact that we are finally going to have the chance to really vote and pass a good Medicare Program that saves the Medicare Program. That is something we are proud of over on this side of the aisle.

All we hear from the other side of the aisle, all we hear are fear and scare tactics. You know, the saying is Medicare or medicare. All we are hearing is, "Oh, my gosh, what are we going to do?"

Listen to the truth. We are saving Medicare. It is going to become a better program. You know, Medicare is a very, very important program. It is very important for me in my district in Florida. I have got more seniors than any congressional district in the United States. So I have large numbers of seniors. It is very important for jobs in my district. It is the largest employer in my district. My mother, my 86-year-old mother, is on Medicare, and my in-laws, whom I just lost recently, were on Medicare. It is very important to me personally. So we have to save Medicare. No one wants to get rid of Medicare.

The simple question is, and I do not understand what they are screaming about, Medicare should not be a partisan issue. Everybody on both sides of the aisle agree Medicare is going bankrupt. We do not disagree with that issue, and Medicare, we need to save it. We agree on that.

We have the plan. We have the only plan, actually. The Democrats are saying they want to save Medicare, too. So we are all in agreement on that. All we want to do is offer choices.

What is wrong with offering choices? The previous speakers said we do not want to have these choices; this is a bad choice, that is a bad choice. What is wrong with choices? As a Federal employee, I have choice. You have choice, I say to the gentleman from Arizona [Mr. HAYWORTH]. You have a choice when you choose next month. We are going to get a choice next month. As a Federal employee, we have the same plan as anybody in the Department of Agriculture and Commerce. We are going to get a list of choice, and we choose. Why should not seniors get a right to choose?

Mr. HAYWORTH. If the gentleman will yield, I think that is absolutely the key point to this debate, and we have to ask ourselves, realizing that good people can disagree, and indeed we come to this Chamber to discuss issues of vital importance, such as Medicare preservation and Medicare improvement; we have to simply give people choice. You know, I listened with great interest, Mr. Speaker, as our friends preceded us in this special order, and I noted with interest a couple of remarks from my good friend from Washington State, and just to put this in some perspective, in my former profession, where I talked a great deal about athletics, I think my friend from Washington State offered the improper analogy. He was claiming that the new majority was trying to throw a Randy Johnson-like fast ball past the American people. I would take issue with that. Instead I would say that our friends, who are really guardians of the status quo and the old order, the new minority, is trying to throw the American people a hanging curve ball, because let us make no mistake about it, my good friend from Washington State who preceded us here in the well, those who studied the health care debate of a year and a half to 2 years ago realize that our friend from Washington State was the proponent of a health care plan, a national health care plan that can be safely said was even to the left of President Clinton's plan.

It was as if my friend from Washington State wanted to transmogrify the United States into the Dominion of Canada to try to bring that type of health care to this country, cradle to grave, soup to nuts, State-sponsored triage that was, in my humble opinion, irresponsible, with a massive centralized bureaucracy and putting health care decisions in the hands of government.

What we are trying to do is to change that, to say that the time for scaring the American people is over. It is time to provide options. We have options in every other walk of life. Why should we change at age 65 and only have one plan in a one-size-fits-all scenario? That is the wrong route.

Let us provide more choices even as we restrain the rate of growth. We still have growth in expenditures.

But I was also struck by one diagnosis that my friend from Washington State, as a psychiatrist, I think, was very appropriate in offering. In the early days of this Congress, as things changed, he talked about the fact that the guardians of the old order were, to quote him now, "in a state of denial about the way things have changed here, and the new philosophies predominant on the Hill." I would simply add a footnote to that. Not only were members of the new minority in a state of denial, that denial has been followed by rage, and one of the lessons I have learned here, and I will be very candid with my friend from Florida, to my eternal regret, in the wake of the historic shift within this body, what we find so often now is that the debate has very little to do with policy and everything to do with power from the perspective of my friends in the new minority.

So jealous are they of the change in power that they will do anything, say anything, claim anything, to scare people about changes that need to take place, and so, again, I think that we ought to stretch out a hand and say good people can disagree, but let us suffer no illusions or delusions about what is going on here. We have a plan, a responsible plan to deal with the sobering realization that the trustees' report brought to the floor that Medicare, if we do nothing, goes bankrupt in the next 7 years.

Again, I hear our friends in the mass media, many of them almost acting as if in collusion with the new minority to claim it is to pay for some sort of tax cut. Nothing could be further from the truth. This is, as my friend from Florida knows, through the stewardship of the Committee on the Budget, the hard work of the gentleman from Ohio chairing that committee, we took care of making sure that all Americans could have more of their hard-earned money in their pocket, and this instead is in response to a bipartisan trustees' report that compels us to act now.

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In fact, as I see here, the gentleman has brought something to the floor from a publication not typically sympathetic to conservative points of view.

Mr. MILLER of Florida. I just do not understand what the point they are making from the other side of the aisle is. They agree we are saving Medicare. They say we are having choices. What is wrong with choices? They cannot disagree with the fact we are not changing the deductibles, we are not changing the coinsurance. They cannot disagree with that.

The premiums are going to continue going up, but at a slower rate than they have been going up in the past. So they cannot disagree with that. We are going after waste, fraud, and abuse. What is wrong with going after waste,