down here and explain how taking money out of Medicare to pay for MSA's helps save Medicare, how taking money away from Medicare is going to make it better. I thought the problem was they were short of dough, and here they are taking another $2 billion out for this kind of scheme that really benefits a very small part of the society.

It seems very odd to me that by taking the billions from Medicare to pay for a tax shelter from which most Americans are priced out of, most Americans are not going to be able to put money in that medical savings account, but the Speaker and the Republicans are acting in the best interests, they say, of the American people and Medicare.

In addition to robbing Medicare, MSA's will clearly only appeal primarily to the wealthy. The Republican-controlled Joint Tax Committee, again, and this is not some lefty group way out there, or some liberal Democrat group that says this, this is a committee run by the Republicans. It is the Joint Tax Committee. It is one of the most conservative staffs in the whole Congress.

They estimate that MSA's will appeal to less than 1 percent of all the people in this country who make $30,000 or less a year, even though those families make up 50 percent of the country. One percent of half the country will be able to take advantage of this, because they do not have $4,000 laying around on the dining room table to put into an MSA. That is ridiculous. Anybody who would stand out here and seriously proclaim this is something that a lot of people can take advantage of simply has never had any kind of difficulties with money.

In contrast to the 1 percent below $30,000, 12 percent of those buying MSA's will have incomes over $100,000. Even though those kinds of people in this country only make up 5 percent of the taxpayers, they will have 12 percent of the benefit.

Mr. Speaker, all these statistics show that MSA's are biased toward the healthy, the ones who do not expect to ever have to use it, or the wealthy, because thousands of Americans do not have the thousands of dollars to put away each year, and cannot afford to incur the substantial out-of-pocket costs that would be created by this medical savings account and these high deductibility catastrophic plans.

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On a final note, some consistency needs to be required of politicians. Both the chairman of the House Ways and Means Committee and the Republican majority leader have condemned the current tax structure. They have called for a flat tax: ''We have to get a flat tax. Let's get all these deductions, all these tax shelters, let's get all of that out. We'll charge everybody a flat 15 percent.'' I think the phrase the majority leader used was they want to tear out this present system by its roots so it will never come back. Yet when it comes to MSA's, they are willing to kill this bill that the Senate passed and the House passed by insisting on MSA's because they want to milk the current system in every way possible to benefit their wealthy constituents.

If our current tax system is replaced, many of the tax incentives that I just outlined under the MSA's will no longer exist. So 1 minute they are out here saying ''Let's rip out the system and have a flat tax'' and on the next day they are saying, ''We're not going to pass health care reform unless you stick MSA's in because it's got big benefits for our friends.''

The House leadership is holding up the enactment of the health care bill that Senators KASSEBAUM and KENNEDY put together, simply over this issue. The losses that will result from MSA's far exceed the gains. MSA's will drain the health insurance pool of the healthiest and wealthiest. It will cost the Government more than $2 billion at a time when we are supposed to be focusing on balancing the budget.

MSA's do nothing, absolutely nothing, to address the problems of affordable health care. Nothing. They are just another way to give a tax break to the wealthy. For the Speaker and the Republicans to threaten the passage of the Kennedy-Kassebaum health care bill by insisting on the inclusion of MSA's is wrong. It is poor leadership, it is bad politics and, worst of all, it is terrible public policy.

THE ADVANTAGES OF MEDICAL SAVINGS ACCOUNTS

The SPEAKER pro tempore (Mr. MCINTOSH). Under a previous order of the House, the gentleman from Iowa [Mr. GANSKE] is recognized for 5 minutes.

Mr. GANSKE. Mr. Speaker, I have been very interested in listening to the discussion by my colleague from Washington concerning medical savings accounts. My colleague is a physician and I am a physician prior to coming to Congress. I hold a different viewpoint about medical savings accounts and I think it is only fair to express some of the differences in our opinion.

One of the criticisms by the opposition to medical savings accounts is that they would be for the healthy and the wealthy. I think, quite to the contrary, medical savings accounts could function in exactly the opposite way. Let me tell my colleagues an anecdote.

A couple of weekends ago I was flying home from Washington to my hometown of Des Moines, IA. I was sitting next to a middle-aged gentleman who was asking about how the health care reform legislation was coming along. He asked me what I did for a living and I told him I was a Congressman. He said, ''Well, I am very interested in medical savings accounts. I really hope that medical savings accounts are part of the health insurance reform plan.''

I thought this was a little unusual, for somebody to be so specific about a piece of legislation. I said, ''Why are you interested in medical savings accounts?''

Mr. Speaker, he said: ''My wife and I have a 7-year-old boy. We live in Minnesota. We have a managed care plan for our health insurance.

''We are constantly having struggles providing care for our 7-year-old boy because he has severe cerebral palsy and he has a lot of special health care needs, and we find frequently that our managed care company does not allow us to get him the type of care that we think is important for him. He has a lot of special needs. We would like to take him to centers of excellence. We do not have that leeway.

''I will tell you, Congressman, if I had tax equitable treatment for medical savings accounts, I would switch into a medical savings account just like that, because if I had a medical savings account, this is how it would work. I could spend the same amount of money.

''Let us say I am spending $5,000 a year for my managed care plan. I could purchase a high deductible plan, say with a deductible of $2,500 or $3,000 a year, for about $2,500. I could then put the other $2,500 into a medical savings account. I would then draw those funds out of the medical savings account to pay the deductible during the year, so there would be effectively no out-of-pocket expense for me in comparison to the amount that I would be spending for a managed care plan. After I would hit the $2,500 of my deductible, I would then be into the catastrophic plan.''

My colleague mentioned how there could be deductibles and things like that in those catastrophic plans, and that is true. but most catastrophic plans function as major medical plans. That means that once they have met their deductible, all of their subsequent costs are covered.

''That would mean that if, for instance, our 7-year-old boy is getting too big now for my wife and I to lift all the time into and out of his bed, into the tub, we will need some special lifting equipment, we will need to purchase equipment for our van, we might want to take him to the Mayo Clinic for some cerebral palsy treatment, we would then run up expenses of $2,500. However, we would have that money in the account to pay that deductible, so there would be no disincentive for us to provide the type of treatment that we need to provide for him.''

This has been one of the other, I think, myths about medical savings accounts; in other words, that people would avoid taking the type of prophylactic care that they need. But I will tell my colleagues what the advantage of this is, not just in terms of the freedom that it would allow people who have special health care needs, but it also basically addresses the issue of our rapidly rising health care costs in this

country because it then gets a connection back between the consumer and the payer.

Under traditional third-party coverage, basically we have always felt like, ''Well, gee, the insurance company is paying the bill,'' so there has been unbridled consumption. If a person has a medical savings account where they can pull the funds out of their medical savings account to pay their bills, they also will have an increased tendency to be a wise consumer.

So I tell various health care groups, physicians, for instance, that quite frankly they may find that they are in a very competitive situation now. In the past when the insurance company pays all of the bills, nobody tends to look at the bills. But if the payment is coming out of the medical savings account, people will tend to look at the bills, and this is why.

Let us say we have a provider on one side of the street who charges $25 for an office visit. On the other side of the street the family practitioner charges $30. If a person is in a traditional health plan, it does not make any difference to them because somebody else is paying the bill. But if they have a medical savings account, assuming the quality is equal, they are likely to go to the provider who charges $25 instead of $30 because they get to keep the $5 difference in your plan.

So there is an incentive now for people to become wise shoppers. There is an incentive for people not to over consume, but there is a mechanism for people to get the kind of medical care that they need because there is a way to pay for it. Even managed care plans in many cases today are moving to deductibles in their plans. There needs to be a mechanism to pay that deductible or we will have a problem with people not getting the kind of care that they want.

Mr. Speaker, I would just finish by saying there are a lot of misperceptions about medical savings accounts. They are not the total solution, but many people in this country today have medical savings account plans, over 1,000 companies in this country. They are saving dollars by it, the people who have the medical savings accounts are very happy with it, and quite frankly I think we would find many people with special health needs choosing medical savings accounts. I do not think they are just for the healthy and the wealthy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOUGHTON (at the request of Mr. ARMEY), for today after 3:30 p.m., on account of official business.

Mr. TAUZIN (at the request of Mr. ARMEY), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. MCNULTY) to revise and extend her remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

(The following Member (at the request of Mr. MCNULTY) to revise and extend his remarks and include extraneous material:)

Mr. FRANKS of Connecticut, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GANSKE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCINTOSH) and to include extraneous matter:)

Mr. ZELIFF.
Mr. EHLERS.
Mr. DUNCAN, in three instances.
Mr. GALLEGLY.
Mr. GILMAN.
Mr. BARTON of Texas.
Mr. CUNNINGHAM.
Mr. HUNTER.
Mr. CLINGER.
Mr. ROBERTS.
Mr. TALENT.

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Ms. WOOLSEY.
Mrs. MALONEY.
Mr. VISCLOSKY.
Mr. OBERSTAR.
Mr. DEUTSCH.
Mr. PAYNE of New Jersey.
Mr. HASTINGS.
Mr. LANTOS.
Mr. BARRETT of Wisconsin.
Ms. NORTON.
Mr. TORRICELLI.
Mr. FRANK of Massachusetts.
Mr. MARKEY.
Mr. LEVIN.
Mr. MENENDEZ.
Mr. UNDERWOOD.

(The following Member (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. SOLOMON.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the ''E. Barrett Prettyman United States Courthouse.''

ADJOURNMENT

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

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, June 24, 1996, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3741. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches [Docket No. FV95–916–4–FIR] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3742. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Specialty Crops; Import Regulations; Peanut Import Regulations; Final Rule [Docket No. FV94–999–2FR] received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3743. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Japanese Beetle; Domestic Quarantine and Regulations [Docket No. 94–087–1] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3744. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act—Air Force violation, case number 92–84, which totaled $22.2 million, occurred in the Headquarters, Space and Missile Systems Center at Los Angeles Air Force Base, CA, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3745. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act—Air Force violation, case number 93–03, which totaled $34.9 million, occurred in the Headquarters of the Air Force Materiel Command at Wright-Patterson Air Force Base, OH, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3746. A letter from the Under Secretary of Defense for Acquisition and Technology and the Director, Operational Test and Evaluation, transmitting the Secretary's certification that full-up, system-level live fire testing of the Amphibious Transport Dock Ship (LPD 17) would be unreasonably expensive and impractical, accordingly the applicability of full-up, system-level survivability tests for the LPD 17 has been waived, pursuant to 10 U.S.C. 2366; to the Committee on National Security.

3747. A letter from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting the Department's final rule—Consolidation of Repetitive Provisions; Technical Amendments (Occupational Safety and Health Administration) (RIN: 1218–AB53) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3748. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendments of Parts 22, 90, and 94 of the