

cannot afford is neither safe nor effective.

Tonight, Madam Speaker, I come to the floor of the House to offer some congratulations, because if you are going to hand out the thorns, I think once in a while you have to hand out the roses. First, I would like to congratulate the people at the FDA because today there was a conference held in Bethesda, and they were participants in that conference. What they talked about was new technologies to make our drug supply safer, so that whether you buy your drugs from Manhattan or Munich, you will be able to get safe drugs. I want to talk about a couple of those technologies and the FDA was there to talk about it. One of them is this tamperproof, counterfeit-proof technology. This packaging is made by a little company out in California called Flex Products. They also make the dye that goes on our \$20 bills that make it almost impossible, although they and I think the Federal Treasury says that this is impossible to counterfeit, the same technology is now available for pharmaceutical companies. And I am told that seven of the largest pharmaceutical companies are already employing this technology.

Let me also talk about another technology. This is the first time I have ever talked about it here on the floor of the House. This is made by a family-owned feed and seed company in Minneapolis, Minnesota, a little company called Cargill. These are microscopic markers. They are edible and they are so small that you cannot even see one. But we now have the ability to apply this to every drug. In fact, we can even apply this to the products that go into the drugs, so that we can know that that drug is in fact what is said that it is very simply. That was also on display today at that conference.

But, Madam Speaker, what I really want to do is say a special thank you to some of the senior groups that have stepped up. I want to single out one in particular, the TREA Senior Citizens League, who is made up of just some of the most wonderful people, and their board is here tonight. I want to show an ad that they ran earlier this year. They were one of the few senior citizens groups that used real money, contributed by their seniors, and they ran this half-page ad encouraging Congress, and I want to make sure that we can put at least the text of this into the CONGRESSIONAL RECORD. I want to thank them, and I want to thank George Smith, their chairman, who serves on their board. What a wonderful board it is. These are people who volunteer. They do not get paid large retainers. All that they do is work on behalf of their members and on behalf of seniors everywhere. When they saw what was happening to the cost of prescription drugs, they stepped up, and they made a difference. I want to thank them. And I want to thank our former colleague Dave Funderburk. Congressman and Dr. Funderburk was a valuable Member of the Congress. He and his wife Betty have just been super

people. They help steer the Senior Citizens League through some of the choppy waters and explain how things happen. It is groups like that that are making a difference. They are stepping up and saying there is something wrong, we need to do something about it. We need to fix it. They have run ads. They have informed their members. They represent 1.2 million members around the country. They are the second largest senior citizens group in the country. I have to take my hat off to them because, as I say, they stepped up, they helped run ads, they used real money, they did not take it from some other special interest group and they are making a difference.

We are going to have to vote here in the next couple of weeks perhaps on a prescription drug bill. We are going to have to ask ourselves some simple questions. One of those questions is why is it that Americans pay so much more than consumers around the rest of the industrialized world? The second question is, what are we going to do about it? I hope you will be able to give us good answers because I think we are going to get a chance to vote on that.

The House has done the right thing. We are waiting on the other body. We hope that we will have a conference committee. People like the TREA Senior Citizens League are watching. They are paying attention. Their members are watching. They are paying attention. They are making a difference. They are counting on us to do the same.

TREA SENIOR CITIZENS LEAGUE AD

Congress: Senior citizens need you to vote "Aye" on H.R. 2427, prescription drug importation legislation.

This week, Congress will have the opportunity to help seniors by voting "aye" on H.R. 2447, legislation to allow America's seniors "market" access to lower priced medicines.

The bill would mean seniors would pay a more reasonable price for their prescriptions, and would mean that many seniors wouldn't have to choose between their medications, and rent and food.

The pharmaceutical industry, however, doesn't want this critical legislation to pass. Some are more concerned about making the best possible profit, rather than making a profit while still allowing seniors to have access to safe, affordable medicines. This is wrong.

Vote for our seniors—not for special interests.

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

(Mr. MCDERMOTT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DECLINING MEDICARE REIMBURSEMENTS FOR PHYSICIANS

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

Mr. GINGREY. Madam Speaker, I rise again today, this week, to continue the discussion regarding the de-

clining Medicare reimbursements for physicians. Effective January 1, 2004, physicians and other providers paid pursuant to the Medicare physician fee schedule face at least a 4.2 percent cut in reimbursements.

For nearly 40 years, Medicare has provided necessary health care to those millions of patients across the country, some 40-something million this year. Another steep cut in reimbursement rates is now forcing many physicians who care for Medicare patients to make difficult choices. The scheduled January 1 cut in the reimbursement rate is just one of a string of Medicare payment reductions for physicians. Due to problems in the formula used to set Medicare payments for physicians, this 4.2 percent cut taken with the 5.4 percent decline in 2002 contributes to successive pay cuts reaching more than 10 percent.

To illustrate the Medicare payment history for surgical services, let us take a look at this chart comparing the Medicare economic index to physician payment update. The Center for Medicare and Medicaid Services, CMS, uses this Medicare economic index, or MEI, as a proxy for inflation in the cost of operating a medical practice. The largest component of the MEI is change in hourly earning for the general economy. A proxy for physicians' own time is in this index.

Additionally, the MEI accounts for office expenses, medical materials and supplies, professional liability insurance, now that is a good one, professional liability insurance, and we know what is happening to that, medical equipment expenses and other benefits and various professional expenses.

□ 2230

Here the yellow line shows a steadily increasing MEI, up about 2 to 4 percent every year starting in 1996. Every year extending out to the present time, a 2 to 4 percent increase.

Now look at the red line. The red line charts an annual Medicare payment update for physicians resembling some sort of a roller coaster starting in 1996 and 1997 with surgical payments slightly under the MEI, and then in 1998 we have a tremendous drop. Look at this drop in 1998, which rebounds the next year, the only year, I point out, that the MEI and the increase in payments are actually matched. Then we have a slight increase in physician payments until we start a disaster downward trend of payment cuts before congressional intervention in 2003.

When I look at this chart, it is clear to me that Medicare is not funded appropriately to ensure access to America's elderly and disabled patients. Without doctors' high levels of participation, the Medicare program would not have been able to serve millions of patients over these last 4 decades.

Madam Speaker, I would like to read and include in the RECORD a letter I received just 2 days ago. Madam Speaker,