prescription drugs or if that is what the cost is, they are going to get $1,650 of that $3,000, and for that $1,650, they are going to pay $2,645. That is not a good deal for them. It is a very bad deal.

Granted, some of the impoverished people who are a little bit below the poverty line are going to get a better deal than that, but the average senior is going to pay more than they are going to get if their bill is say a $3,000 prescription drug bill because they are going to pay $2,645 for the coverage that they are going to get, and that is $1,650 of the $3,000.

I think that the AARP people and everybody else ought to take a hard look at that because I think the American seniors are being misled about this. We need to provide prescription drug coverage for those who truly need it, who cannot get it because of health reasons or cannot afford it, but we should have not a program that covers everybody when we cannot afford that. The cost is going to be extraordinarily high.

What we should be doing instead is working on reimportation, market prices and competition, as the gentleman from Minnesota (Mr. GUTKNECHT) has been advocating for a long, long time. If we did that, we could solve the problem, and we would not have to spend hundreds of billions of dollars of taxpayers' money to do it.

Mr. DELAHUNT. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Speaker, I really want to applaud the gentleman for his work, along with the gentleman from Minnesota (Mr. GUTKNECHT), on the reimportation of drugs.

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

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

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

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

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

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

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.)

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

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

MEDICARE CONFERENCE REPORT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader, which is approximately 10 minutes.

Mr. PALLONE. Mr. Speaker, I just tell my colleague from Massachusetts that I will be glad to have him join in and make some comments during the course of my 10 minutes if he likes.

I just wanted to follow up on some of the debate that was held this evening on the motion to instruct from the gentlewoman from Nevada and particularly pay attention to some of the comments that were made by some of my Republican colleagues who I know are well-intentioned but I think were very wrong in what they said about this Medicare conference report that we are going to be voting on in a few days.

First of all, I mentioned earlier when the gentlewoman from New Mexico said that Medicare is very successful, and I said to her at the time, well, if it is very successful, then why are the Republicans in this Medicare conference report trying to essentially change and gut and I think destroy Medicare the way we know it?

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Now, what the Democrats have been saying all along is, if you have a pot of money and you want to provide prescription drugs to senior citizens pursuant to the Medicare program, which you admit is a successful program, then why not just add the prescription drug benefit to the existing Medicare program?

We know right now that all seniors are entitled to Medicare, because if they are over a certain age, they are entitled to Medicare. It is an entitlement. We have a program for hospital care; we have a part B program for doctor care. And what the Democrats have been saying is we can simply do for prescription drugs the same thing we do with the physician care, the physician payment. Like part B, which right now says if you pay $50 a month, and after the first $100 deductible, 80 percent of your doctor bills are paid for by the Federal Government, up to a certain amount, at which time 100 percent of your bills are paid for by the Federal Government. Democrats have been saying we can add a prescription drug benefit to Medicare in the same way.

And what we actually proposed and voted on here in the House of Representatives during the summer was exactly that, a program that would say you pay $25 a month premium, after the first $100 deductible on your drug bills, 80 percent of the cost is paid for by the Federal Government. You have a 20 percent copay. And at a certain point, after you have paid a certain amount out of pocket, 100 percent of the costs are paid for by the Federal Government. Very simple. It builds on the existing Medicare program.

That is not what the Republicans are doing here. This is not even about a prescription drug benefit any more, because they are not providing a meaningful benefit. And I want to associate myself with the remarks made by the gentleman from Indiana (Mr. BURTON) when he said this is not even a benefit you will want to sign up for because you will end up paying more out of pocket than you will get back in actual benefit. So it is not a real benefit. It is not a meaningful benefit. It is not an affordable benefit. It is not a comprehensive benefit.

Most importantly, the only way you get this prescription drug benefit under the Republican proposal is if you join an HMO. You are forced, contrary to what some of my colleagues said on the other side of the aisle, you are forced under this Republican plan to join an HMO. Because the only way you could get any kind of prescription drugs without the HMO or the private plan is if it is not available in your area.

What the Republicans have done is they are putting so much money, they are giving $12 million, $1 billion, they are adding all this money to the private plans, to the HMOs, giving them all this extra money so that certainly there is going to be someone who is going to offer this managed care HMO plan, this private plan in your particular State or your particular jurisdiction, so you will be shut out. You will not be able to have traditional Medicare and get any kind of prescription drug benefit.

Now, I know that some of the discussion here tonight is, well, why does the AMA, the doctors support this? Well, why does the AARP support this? Why do the drug companies support this? There is a very simple answer to that, and it is that they are all getting a piece of the action. The AARP is essentially an insurance company, so they want to sell insurance. They think it is great. The insurance companies are all getting extra money, HMOs, private insurance companies, all getting big windfall profits from the Federal Government under this bill.

And the doctors? Well, they have been suffering. They face a 4.5 percent cut in their reimbursement rate. So what the Republican bill does is wipe out that cut and give them a 1.5 percent increase, I think. So, naturally, they feel well it is better to have a 1.5 percent increase than a 4 percent cut, so they get a piece of the pie. They think it is great.

Then what about the drug companies? Well, it is a windfall for them because there is no competition. There is no price controls. There is a specific