

Jake Pickle's faith was shown time and time again as he lived the commandment to love thy neighbor. Jake Pickle lived every day with another biblical verse, "This is the day the Lord hath made. Let us rejoice and be glad in it." Jake lived every day joyfully. He lit up a room when he walked into it because of his joyful, positive approach to life. His positive approach has enlightened the lives of all of us blessed to have known him.

Jake Pickle exemplified courage when he voted as a freshman Congressman from Texas to pass the Civil Rights Act which brought to reality the promise of equal opportunity to millions of African-Americans. He did it because it was the right thing to do, even though it could have ended his political career.

I want to tell one story about my friend Jake Pickle. In June of 1994, he and I were part of a U.S. congressional delegation at the 50th anniversary of D-Day. After the ceremony on June 4 of 1994, our bus was about to leave to go back to a hotel an hour to 2 hours away. I noticed Jake getting off the bus by himself. I stopped, walked up to him and said, Jake, what are you doing? And he said, Why don't you come with me, Chet?

So I followed Jake Pickle off that bus. We walked several hundred yards. We went to Point du Hoc, that monument to American GI courage on D-Day when Colonel Earl Rudder led Rudder's Army Rangers up that stiff cliff against murderous fire by the Germans above them. It turned out that Jake Pickle and Earl Rudder, then the land commissioner of Texas, roomed together after the death of Jake's first wife when then General Rudder was serving as land commissioner in Austin, Texas.

So that June day in 1994, Jake Pickle got off the bus, not knowing how he would get back to his hotel in France, to go pay his respects to his personal friend and fellow Texan and American, Earl Rudder, the hero along with America's Rangers at Point du Hoc. That was the character of Jake Pickle. Our Nation will miss Jake Pickle, but the world is a better place today because of his life of dedicated public service.

Mr. Speaker, Winston Churchill once said that we make a living by what we get, we make a life by what we give. By that high standard, Jake Pickle led a rich life, a life that enriched every one of us blessed to have known him.

Goodbye, my friend, until we meet another day. Thank you for the memories. Thank you for your friendship. Thank you for making America and the world a better place.

GENERAL LEAVE

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the sub-

ject of my special order today of J.J. "Jake" Pickle's death.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SMALL BUSINESS AND HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. PRICE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PRICE of Georgia. Mr. Speaker, what an honor it is to come before my colleagues tonight to talk about some of the most important aspects of all of our lives, and that is our jobs and our health and how they are tied together.

I think it is helpful to begin this by answering the question, how did we get to this point? Why do most Americans receive their health insurance from their employer? Did you ever think about that? Whether it is good or bad. You think about other kinds of insurance. Car insurance does not come from your employer necessarily. Certainly, health insurance does, and that is so incredibly important. Your home insurance does not come from your employer. Why health? Like most things, it has a long and a curious and sometimes a colorful history.

By way of introduction, and I will be brief, but I think it is important to review kind of how we got to where we are right now. Actually it begins during World War II when employers were short on employees, and they were attempting to attract employees, and so they offered a health benefit to try to encourage some folks to come and work at their place of business. The government at that time had to decide whether it was going to treat that health benefit as a taxable benefit or whether it was going to be a nontaxable benefit. Were they going to tax the employee for getting that benefit or not? What the government at that time elected to do is to treat it as a nontaxable benefit. And so began this incentive that we now have and have lived with for the past 60 years or so for employer-based health care.

During the 1950s, there was a period of significant collective bargaining in our Nation, and many individuals got their health insurance with what is called first dollar coverage, meaning that every single dollar of their health care was paid for by somebody else. In the 1960s, the government got involved with Medicare and Medicaid and instituted Medicare as a program that was a cost-plus program, meaning that those individuals that were providing the care were paid for the cost for providing it plus some. And so what you had over a period of the next 10 or 12 years or so was a significant increase in the cost of health care. Businesses said, Hey, wait a minute, what's going on here? We've got to have some help.

And so instead of looking at that situation then and moving toward a system that allowed individuals greater choice and greater opportunity for their selection in health care, what happened was an increasing regulation of both the insurance industry and the beginning of HMOs and the managed care as we know it. All of this began basically with the tax favorability for employers to purchase health insurance. And so that system flourished.

Now, tying health care to jobs has had many unintended consequences and many that have adversely affected those who can get insurance. As a legislature, as a Congress, as leaders and decisionmakers, we need to make it easier for businesses to provide health insurance. One person who knows firsthand about that and about how to make that happen is the gentlewoman from Tennessee (Mrs. BLACKBURN). The gentlewoman from Tennessee is a small business owner herself and represents a district that is heavily dependent on small businesses and the jobs that they generate. She understands this issue as few do and has been a great leader in our Congress in an effort to pass both the health savings accounts and associated health plans. I am proud to yield to my colleague as she discusses the issue of small business and health care for a few moments.

Mrs. BLACKBURN. Mr. Speaker, I thank the gentleman from Georgia for his leadership on this issue. He certainly brings a wonderful perspective to our body as he leads in the discussion of small businesses and health. I think most people know that small town physicians, that is a small business, and working with small business employers, he understands so readily how employers truly desire to provide great benefits for their employees. Mr. Speaker, I think most small business employers feel like their employees are family. They want to be certain that they have got the best of everything, the best of opportunity, the best of health care, the best work environment, because they treasure having those individuals work with them. Most small business owners understand, too, that it is important that employees be happy and content in their work environment, that they stay with you, because one of the greatest expenses is having to train a new employee, having to help them learn the ropes, learn the skills, come up to speed to fill that role. They also know that good health care is important because of time lost from work. That is very expensive. That means an employer, if he has an employee who is sick, who has not had access to good preventative health care, then what happens? He has to go hire a temporary employee to fill that job. So small business employers understand the importance of creating a good comprehensive work environment and the importance of appropriate health care and health coverage for employees.

I cannot go any further talking about a small business without first having a couple of things to say about this economic engine and what a lot of these small business employers are able to do. We are averaging 146,000 new jobs a month. Unemployment is at near historic lows. We are just above 5 percent on unemployment. What that tells us is that the small business sector is working, that with new ideas and new innovations and lower taxes and with the focus on lessening regulation like we have done this very week, this very day right here in this House as we have looked at OSHA regulations and found ways, we passed four bills, finding a way to help make OSHA and the rules and the regulations less burdensome to small businesses. So it is wonderful that during this small business week, we have our legislative attention focused on what we do, not to create jobs, what we do not to strap down business, but what we do to create the type environment in this Nation that small business and free enterprise can do what they do best, that is, create jobs, be the economic engine for this great Nation.

I commend our leadership here in the House for continuing to work on these issues and put this focus on small businesses, whether it is through an energy bill or through the death tax repeal or class action fairness or bankruptcy or jobs training improvement. All of that affects small business, much the same way as health care affects small business and its employees.

There are just a couple of other quick points that I would like to add. Looking at health care and the viability of health care for small business is not new. This is not something that is on the plate for the first time in the 109th Congress. This is an issue that our leadership has been focused on for many years.

□ 2000

One provision that was on the table for quite a while and finally was passed in the 108th Congress is health savings accounts; and for small businesses that are seeking to find an affordable way to continue or to give health choices for their employees, the health savings accounts are a wonderful alternative.

And, Mr. Speaker, one of the things that has come to mind that we have seen with the past year, with the advent of health savings accounts, more than 1 million Americans have chosen this as an option because it is a way for them to save, to set aside, and a way for them to begin looking to expanding their health care dollar, being certain that they have that health care dollar where they are getting basically the most bang for their buck. And I certainly think that it is to our credit that this option was made available to the American people last year, and I commend our leadership for that.

Another bill that this House has passed, and we certainly are looking forward to the same type of success

with, is association health plans. These are basically small business health plans that we talk about in my district, because it will allow businesses to group together in their associations, of different types, whether they are small business manufacturers or maybe marketing companies or some of the high-tech companies, but group together and pool their buying power so that they can have group policies for their employees and will be able to do it more affordably.

So association health plans will be another great addition, putting a little bit more of that private sector expertise back in there to get the cost of health care down so that it is more affordable for our small business employers.

I want to thank the gentleman from Georgia again for allowing me to come in and participate as we talk about small businesses, keeping them healthy, keeping them vibrant, and also having health care affordable and available for their employees. I thank him for the leadership.

Mr. PRICE of Georgia. Mr. Speaker, reclaiming my time, I thank the gentlewoman so much for her comments. I appreciate her leadership in this issue and so many other issues in our Congress, and I thank her for her perspective as a small business owner and somebody who has been a real advocate for increasing choices for patients and opportunities to purchase health insurance.

I mentioned briefly before the tax treatment of health insurance and why we seem to be in a situation now where there is this remarkable incentive for employers to purchase health insurance, and that again is because of the tax treatment. And nobody understands that better than the next individual whom I have asked to join me today. Because of this tax incentive, solutions to our current situation must address the taxes and how they affect decisions about the purchase of health care.

And one person who understands this as well as anybody and is a good friend and legislator is the gentleman from Iowa (Mr. KING). The gentleman from Iowa (Mr. KING) is working to fight burdensome government regulation and red tape. He truly understands the challenges of starting and operating a business first hand as a successful agribusinessman. He brings 28 years of business know-how with him to Congress, and he has introduced a very exciting piece of legislation that talks about the tax treatment of the purchase of health insurance.

I yield to the gentleman from Iowa (Mr. KING).

Mr. KING of Iowa. Mr. Speaker, I thank the gentleman from Georgia (Mr. PRICE) for yielding to me. I appreciate the opportunity to speak here tonight, and I appreciate his organizing this Special Order so that we can further take a look into some of the things that we can do to improve the

health care circumstances within this country.

Mr. Speaker, health care costs are escalating. And there are few options for small business owners to choose from when selecting insurance coverage for their employees. In order to keep and attract talented workers, sourcing affordable, quality health insurance is a top concern. As an owner/operator of a small construction business for over 28 years, I am well aware that the largest challenges here are access and cost.

But even though small business is the backbone of our American economy, over 60 percent of the estimated 43 million people without health care are small business owners, both employers and their dependents. Additionally, small businesses, which create two out of every three jobs in this country, continue to struggle with the high cost of offering health insurance to their employees. The structure of the current health care industry does not allow many small business owners and their employees access to affordable health insurance. As a result, uninsured figures continue to rise as the cost of insurance continues to skyrocket, pricing many small businesses out of the marketplace.

Many factors contribute to the overall cost of health care. Lack of competition in the small group market, litigation, and mandates are just some of the many culprits driving up costs. The problems facing small business owners, their employees and families must be addressed as part of the overall health care debate.

I support health savings accounts, HSAs, recently enacted under the Medicare Modernization Act, coupled with hide-deductible health care plans. They are a way for small businesses and individuals to lower their health care premiums. Along with HSAs, individuals should be allowed to deduct 100 percent of their high-deductible health plan premiums if they are not subsidized by an employer plan already. High-deductible health care premiums are defined as a minimum of \$1,000 and up to \$5,100 deductible for individuals and a minimum of \$2,000 and up to \$10,200 deductible for families. I have introduced a bill titled the Health Insurance Affordability Act, H.R. 37, which would allow for this type of deductibility for health insurance premiums.

Currently, large businesses are allowed to deduct employee health insurance premium payments, as are small businesses, for their employees as a business expense. Unfortunately, employees of small businesses that cannot afford to provide health insurance coverage are not able to deduct the cost of health insurance. This group of people includes waitresses in diners, workers in dry cleaners shops, temporary workers; and that is just a few. With the rising cost of health care coverage, many of the Nation's small employers are dropping coverage, which increases the number of uninsured Americans.

In the 2004 State of the Union Address, President Bush proposed that individuals who buy catastrophic health care coverage as part of our new health savings accounts be allowed to deduct 100 percent of their premiums from their taxes. President Bush's fiscal year 2006 budget request stating the following: "Above-the-Line Deduction for Certain Health Insurance Premiums, under this proposal all individuals who purchase a high-deductible health plan in conjunction with a health savings account would be allowed to deduct the amount of the health plan's premium from their taxable income even if they do not itemize their deductions." That is the President's proposal. It mirrors my proposal on H.R. 37, the Health Insurance Affordability Act, which I drafted and dropped last year as well as this year. This new deduction would make high-deductible health plans more affordable.

We should follow the President's lead and continue to promote personal health care ownership and control of health care policies. H.R. 37 provides an above-the-line tax deduction of the health insurance premiums for those who buy their own HSA plan. Several HSA providers report that a high number of previously uninsured individuals are buying HSAs in the individual market. By allowing consumers to deduct the premiums, we are building on the benefits of HSAs and will make health insurance affordable for America's uninsured population.

Health savings accounts will also help reduce the number of uninsured Americans by allowing small businesses more choice in the current small group market. Additionally, individuals who have catastrophic health care coverage with a health savings account should be allowed to deduct 100 percent of their premiums from their taxes. HSAs, along with 100 percent deductibility, will provide small businesses with more accessible, affordable options in the health insurance market.

A government-run health care system is not the solution to the health care problems facing small businesses. A government-run health care system or mandates and minimum benefit packages forced upon small employers will deter or even destroy entrepreneurship and the growth of small businesses.

Mr. Speaker, the small businesses in this country lead in new jobs. They lead in employment. They are at a disadvantage today because the structure of health insurance premiums is wrong, and it is wrong because it lacks full deductibility for the people who utilize it. And this goes back in history to World War II when we had wage and price controls and when that order came out, employers were looking for a way to compete in a shrinking labor market because much of the labor put on a uniform and went overseas to fight World War II.

So in keeping with the freezing of wages and prices, instead they gave

health care benefits to their employees; and it was not really circumventing a raise, but it was keeping with the freeze, but it was benefits to compete for that shrinking labor supply that was there.

That tradition now has been in place over 60 years, and in this 60-plus years, we have watched it get more and more distorted every year. So if a large corporation or a government employer can offer a health insurance benefit that is fully deductible and especially to large corporations and there sits a ma-and-pa operation, a family farm, a gas station, a convenience store, a company that is hiring part-time labor, these people that are disadvantaged from the current structure, when they are disallowed from full deduction of their health insurance premiums, should be allowed that deduction. That is what the Health Insurance Affordability Act does, H.R. 37. It is one piece of the whole puzzle that we need to do.

The gentleman from Georgia (Mr. PRICE) is bringing forth a more comprehensive discussion here tonight. I have targeted on H.R. 37 because I think it is the one thing that we can do to bring deductibility to the employees who are not able to deduct their health insurance premiums. But I believe that if a Fortune 500 company can deduct a full coverage insurance plan and every dime that they put into that full coverage insurance plan is an above-the-line deduction, a Schedule C deduction, on their income tax, then that also should be available for every citizen whatsoever in the United States of America.

H.R. 37 takes us down that path. It gets us closer. It does not get us all the way. We will not get this done overnight. It has been over 60 years to get in the condition that we are in.

I thank the gentleman from Georgia for organizing this Special Order tonight and for bringing his professionalism in the health care industry and his experience as a doctor that actually sees how this works in the lives and minds of patients to the floor here tonight and to everything he does here in this Congress. I thank the gentleman from Georgia (Mr. PRICE) and appreciate his yielding to me.

Mr. PRICE of Georgia. Mr. Speaker, reclaiming my time, I thank the gentleman from Iowa (Mr. KING) so very much for his comments.

When I first started looking into this issue of health insurance and why it seemed that employers had this remarkable incentive and I looked back and looked back and tried to figure out where it began and I got to the discussion about World War II and I talked to some of my friends about it and they would say it could not have started back then, I appreciate his perspective on it and his knowledge and expertise in appreciating that the tax treatment of the purchase of health insurance is so important, so incredibly important, as we try to solve the challenges of the increased cost of health insurance and

health care. I thank him so much for joining me tonight. He was very kind to participate and bring focus to those issues.

I touched a little earlier on that association between jobs and health care and how jobs are so important to health care because of the tax treatment. And so it is important that we talk about jobs and small businesses; and this Congress has worked incredibly hard, incredibly hard, to create jobs, especially in the area of small business; and it is important. We keep talking about small business because that is the engine, that is the engine that drives our economy.

Ninety-nine percent of all businesses in this Nation are small businesses, and 75 percent of all new jobs that have been created have been jobs that are added in the area of small business. And this Congress has been incredibly diligent in making certain that we have the right incentives to create jobs. And they have been mentioned earlier, but I would like to touch on a couple of them.

The Energy Policy Act that we passed will create nearly ½ million new jobs in the manufacturing and construction and agriculture and technology sectors, ½ million jobs. The Death Tax Repeal Permanency Act, that is not only an unfair tax, but it is also taking money out of the pockets of individuals, especially small business individuals, that they could use to instead grow their businesses. The Class Action Fairness Act that we passed, some legal reform. It is estimated that \$88 billion a year, \$88 billion a year, is spent on lawsuits; and if that money is not needed on inappropriate lawsuits, then where can that money go? To small business and to jobs, create jobs, hire more workers. So this was an important bill that was passed and signed into law by the President.

The highway bill, the Transportation Reauthorization bill, not only will it increase the quality of our transportation infrastructure across this Nation, but it is estimated that for every \$1 billion that is spent to improve our highways, 40,000 jobs are created, 40,000 jobs: \$1 billion, 40,000 jobs.

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Do we know what that means for a bill that has a price tag of about \$280 billion? That is 15 million jobs. You talk about a Congress that is serious about putting people to work, this is that Congress. And the Job Training Improvement Act that we passed breaks down the barriers for millions, millions of job-seekers.

So this Congress has actively worked to expand small business which, again, is the engine, the engine of our economy, and it is working. We see the results already. Mr. Speaker, 146,000 jobs were created in the month of June with the unemployment rate dropping to 5 percent, the lowest unemployment rate since September of 2001. Steady growth

has taken place each of the last 25 months with more Americans working than ever before.

This chart shows the declining unemployment rate and the number of jobs that have been created, and we see each month for the past, on this chart, 13 months, but it has been 25 months in a row, each month we have created jobs in this Nation, across the Nation. The economic indicators show strong and sustained growth with real gross domestic product and real income revised up for the first quarter, and inflation down. Listen to this: profits as a share of gross domestic product are up to their highest level since 1967, profits up to their highest levels since 1967. What does that do? It allows businesses to re-invest and create more jobs.

Mr. Speaker, durable goods orders are on the rise with new orders for durable goods increased by 5.5 percent in May. That is the largest increase in 14 months. U.S. manufacturing continues to expand. Again, for the 25th consecutive month, manufacturing expanded again in June. And we see it in the private sector as well, with consumer confidence rising nearly 3 points in June to its highest level in 3 years.

Mr. Speaker, I am telling my colleagues, the improving economy that we have talked about and the jobs that have been created, it is not empty rhetoric, it is not just words. The policies of this Congress and this administration, they are pro-growth, and they are leading the charge, and they are indeed succeeding in the challenges that we have before us in creating jobs.

But when I go home, when I talk to folks at home who are small business owners, who create the jobs in this Nation, and when I talk to them and I ask them, what is the biggest challenge that you have? I do not care what kind of small business it is, whether it is a restaurant owner or gas station folks or a small business owner or lawn care people, real estate, shoe repair, I do not care what it is, their biggest challenge, they will tell you that their biggest challenge is the health care, providing health care for their employees, and many, many simply stop. They are unable to provide health care any longer for their employees, whether it is that extra dollar that the health insurance costs or whether it is the undue burden of the regulation that pushes them over the top. And they say, as much as I would like to, I am just unable to do so from a financial standpoint.

So it is imperative; remember, most employees, most people get their health insurance through their employer, again, because of the things we were talking about before, but it is imperative that we work on those constraints that make it so that it is difficult for employers to purchase that health insurance.

The unemployment rate is coming down with all of the work that we have done, now down to, as the gentlewoman from Tennessee (Mrs. BLACKBURN) mentioned, 5 percent, a remarkable, re-

markable improvement in our economy.

I want to talk about small business and health care facts. I want to talk about the problem as it relates to the rising cost of health care and how it affects jobs and the provision of that health care. As health care premiums continue to increase or as they increase, employers are forced to pass that expense on to their workers in the form of higher copayments or deductibles, and oftentimes, they have to reduce coverage. They are not able to provide the same kind of coverage that they have in the past. It is not because they want to; it is because they are being constrained from a financial standpoint. Employers this year will pay an estimated 12 percent more for employee health care than benefits in 2003, 12 percent more, marking the fifth consecutive year of double-digit increases and a doubling of employer health care costs since 1999.

This graph is so incredibly poignant, and it just shows the continuing increase of the cost of health care. The cost for employers is the lower bar. The middle bar is the cost for employees. And then the upper bar is the out-of-pocket costs for employees, and we see those continue to rise over the years. Decreasing these costs to American businesses is imperative, because what it will allow them to do is to spend more money on expanding their operations and hiring workers, more jobs.

It has been shown that each percentage point increase, this is a phenomenal statistic, each percentage point increase in health insurance costs increases the number of uninsured by 300,000 people. Think about that. Each single percent of increase in health insurance costs increases the number of uninsured by 300,000 people. This is an issue that is imperative, imperative for us to tackle as a Congress.

Then we have heard about the need for legal reform, what kind of challenges we have in the area of liability insurance that physicians and hospitals and others have. Those premiums for medical liability insurance have increased 500 percent, 500 percent since 1976, and what that has done is driven many doctors out of the profession, many of them closing their practices or decreasing the high-risk procedures that they do. I had one fellow physician tell me that they had to stop one of their high-risk procedures, and I said, what was that? And they said, delivering babies. An obstetrician, they could no longer deliver babies because that is defined as a high-risk procedure. In fact, in our State, over a third of the obstetricians have stopped delivering babies because it is a high-risk procedure because of the cost of liability insurance. The average jury award in a medical malpractice case is now up to \$3.5 million, up more than 70 percent since 1995. This cost of insuring doctors against oftentimes petty and frivolous lawsuits is reducing the qual-

ity and access of Americans to top-rate health care.

Now, there are a number of solutions that have been put on the table, and I want to talk about three of them in kind of a larger principled way. The first is about pooling resources. The second is about the tax treatment that we have talked about, and the third is about liability reform.

Associated health plans, which the gentlewoman from Tennessee (Mrs. BLACKBURN) mentioned, are incredibly important, and they work because what they allow people to do is to pool larger numbers to purchase health insurance. Remember that 60 percent, 60 percent of the 44 million uninsured Americans are employed by small businesses or are dependents of someone who is employed by a small business. Some people estimate that that number is as high as 85 percent, meaning that 85 percent of the folks that are either employed or live in the home of somebody who is employed by a small business do not have health insurance, of the 44 million who are uninsured. Phenomenal when you think about it.

What do associated health plans allow you to do? They allow you to buy in bulk. They allow one small business, a group of employees, say three or five folks to join with three or five folks from some other businesses to pool with eight or ten somewhere else, and before you know it, you have hundreds and thousands and sometimes millions of individuals who then use that purchasing power to purchase health insurance. It allows them to get health insurance at the cost that some of the larger employers do. Associated health plans would be required to offer fully-insured or self-insured benefits that are certified by the United States Department of Labor. There has been some discussion about whether or not people could provide cut-rate health insurance. Well, that is not the case. It encourages broad participation in coverage by prohibiting discrimination of any kind against certain high-risk individuals. Again, if you pool numbers of folks together, if you allow them to join together and use their power to purchase insurance, then they will be able to do so in a very competitive way. It increases the bargaining power.

So the first area is allowing folks to get together as groups, large groups, thousands, hundreds of thousands, millions of people to have the benefit of purchasing insurance.

The second issue I want to bring to the fore that would allow for a real solution has to do with the tax treatment and flexible spending accounts. Now, the gentleman from Iowa (Mr. KING) talked about his idea for health savings accounts and the equal tax treatment for individuals to purchase health savings accounts. Great idea. Works splendidly to move some of those incentives so that people who are employed by a small business or are self-employed or are unable to get their insurance in another way will have an incentive to

purchase health insurance. And what flexible spending accounts do is that they allow workers to direct their employers to deduct money from their paychecks to be placed in this flexible spending account, tax-free—tax-free. That is the key. That is the incentive: to pay for health care expenses that they may incur during the course of the year. It is a tax benefit to employees. Workers could save on their taxes for the purchase of health insurance.

It also provides for long-term coverage advantages, because 37 million employees right now in America have access to these accounts, but few of them take advantage of it because there is a use-it-or-lose-it rule. Now, what is the use-it-or-lose-it rule? Well, currently, if you do not use the money by the end of the year that you have put into a flexible savings spending account for health care, then that money is forfeited. It goes away. It goes back to the employer.

This rule is a huge disincentive for participating in a flexible spending account, and it probably drives up health care costs itself because it encourages individuals to spend money on health care at the end of the year that may not necessarily be needed, but you have three weeks left, and you have this money in your account, so you might as well go do that. So it has that adverse incentive for the purchase of appropriate health insurance.

So flexible spending accounts, allowing you to have equal tax protection, tax-free purchase of health insurance or health care, in addition to the pooling that we talked about. Those are the first two. And the final one is medical liability reform. As the gentleman from Iowa (Mr. KING) mentioned, I am a physician, an orthopedic surgeon; spent nearly 20 years in private practice of health care and saw during that period of time an incredible explosion in the cost of liability insurance, for somebody that was never sued, never had a suit. And whether or not you do, the real cost of the current crisis that we have as it relates to medical liability reform is not the cost of the purchase of the insurance for the doctor; that is not the real cost. Those costs are going up, certainly, but that is not the real cost. But those are millions and millions of dollars.

The real cost, the real reason that we need liability reform in the area of health care is because of the practice of defensive medicine. You may have heard about this. What is defensive medicine? Well, when you go to your doctor and you tell your doctor what your symptoms are, what you think is wrong, your doctor, he or she, will run through in their mind or look through their resources to be able to determine what kind of tests or studies ought to be done to make an appropriate diagnosis.

Now, the practice of defensive medicine says to the doctor that we ought to do virtually everything that we can do to make that diagnosis as rapidly

and as accurately as possible, even though those tests may not be absolutely imperative to do to make that diagnosis. The example that I like to use is, if you have back pain and you came into my office, 90 percent of back pain, 90 percent of back pain is what is called functional back pain. It means that you hurt your back, and you strained it, and it will go away, given a little rest and therapy and exercise and sometimes some medication, 90 percent. But I promise you that everybody that comes into the doctor's office with back pain, what do they get? They get an x-ray. Now, they do not get an x-ray because you can diagnose functional back pain on an x-ray; they get an x-ray because if something is not picked up immediately on that x-ray, then they are liable. They are liable to be sued for not picking it up in 1 week when they may have picked it up in 3 weeks if the back pain did not get any better. That is the kind of thing that goes into the practice of defensive medicine. It has to do with blood tests. It has to do with heart tracings. It has to do with extremely expensive tests and studies that we have available to us that are wonderful. They allow us to have the kind of quality health care that we have as a Nation. But what happens is that they drive up the cost of health care to an incredible degree and frankly do not increase the quality of care that is being provided.

How much money is that? The estimates vary because you cannot get a firm figure on that. No doctor orders a test and says, this test is unnecessary. So the cost is likely to be somewhere in the range of \$250 billion to \$500 billion, that is with a B, \$250 billion to \$500 billion in the cost of health care each year in our Nation.

□ 2030

That is why, that is why it is imperative that we have medical liability reform. So the cost of the insurance itself is significant. But that is not the real reason.

Now, there are a number of ways that you can institute appropriate health care reform. I believe that we must give States as much flexibility as possible. I think that there are a number of good solutions on the table. I believe that we have got to adopt one of those solutions that will have true and real and honest effect on the medical liability crisis that we face.

So lots of solutions. Three that I have put out on the table tonight: one is to allow individuals to pool together, to be able to use the power of many people for the purchase of health insurance; second it is imperative to allow individuals to have that equal tax treatment for the purchase of health insurance that the employer has. We need to make it so that all individuals have an incentive to be able to purchase and have health insurance; and then the third issue is the one that I touched on at the end there, that is,

the extreme importance of reforming our crisis in lawsuit abuse. It is imperative that that happen. If we do not do that, we do all of the other things, it is not likely that we will be able to get our handle on the increase of health care costs.

So, finally, what three things drive up the cost of business for any business, be it large or small? There is a common denominator to those things that drive up costs. They are taxation, they are litigation, and they are regulation.

The problem with the area of health care is that all of those costs for the provision of health care for our entire Nation are passed on to somebody else. They are passed on in this instance to the employer, by and large, who provides again the majority of health insurance.

When they are passed on to the employer, what is the employer bound to do? They must pass them on to the employee, to the worker. So the worker is hit twice. It is a double jeopardy as it relates to the ability to obtain health insurance.

So hopefully what we have been able to do tonight is to bring some clarity and some focus to how jobs and how health insurance are related, why it is important to concentrate on the cost drivers for health care, taxation litigation, regulation, and why it is important to provide options and opportunities for both individuals and businesses to purchase health insurance and to provide health insurance for their employees.

So with that, Mr. Speaker, I am honored to have had the opportunity to address the House tonight; and once again I want to thank my colleagues, the gentlewoman from Tennessee (Mrs. BLACKBURN) and the gentleman from Iowa (Mr. KING) who were so very helpful in bringing clarity to those issues.

And I look forward to garnering the support of my friends on both sides of the aisle, because this is not a Republican issue, it is not a Democrat issue. It is an American issue. It is an issue that is important for all of our constituents across this Nation.

I look forward to working with all Members of this House to solve the challenges that we have.

IN REMEMBRANCE OF J. J. JAKE PICKLE

The SPEAKER pro tempore (Mr. REICHERT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Texas (Mr. DOGGETT) is recognized for 60 minutes as the designee of the minority leader.

GENERAL LEAVE

Mr. DOGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?