only $3.5 billion, which is quite a bit of money when you are running deficits.

It is true, there is better news. The budget deficit is $80 billion less than we expected a few months back. So today we are being told the budget deficit for fiscal year 2002 was only $370 billion, the largest deficit this country has ever had. And that is good because we were lucky. It was supposed to be $450 billion. Next year we are told it is going to be about 500 billion.

Whoopee, we should be really happy, I guess, that it is not $450 billion. So on top of the $350 billion that we have confirmed, that we have in budget deficit for the fiscal year, we should add another $82 billion to correct a $3.5 billion problem for folks that make $10,500 to $26,500, giving most of the benefits of the $82 billion in tax cuts to not those 6½ million families, because it only costs $3.5 billion to fix it for these 6½ million families.

That is not the kind of math that my 8-year-old is learning, and I hope she never learns that kind of math.

Now, the sunsetting of the $1,000 tax credit that my friend from Wisconsin mentioned, that is true. Our bill did sunset it because it was your bill that sunset it first. In fact, it was the Republican bill that became law that sunsets the child tax credit at $1,000 after 2 years.

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That was not our doing. That was what the Republican majority chose to do. It was the decision of the majority to make it sunset, to close out, to be yanked away as the gentleman said after 2 years.

If we could find a way to pay for it, we are willing to extend it, but we are not going to continue to give someone today a child tax credit of $1,000 who makes over $150,000 and then put the burden of the deficit in the budget over the years and years to come on the shoulders of the people who did not get anything who are earning $20,000. That is unfair. It is, again, giving to Peter the rich at the expense of Paul of the modest income. That is not fair.

Military family tax relief, just about every one of us today, just as the gentleman mentioned, voted for that tax relief bill for our military families, but why did it not include this provision that we are debating right now on the child tax credit? It did a lot of good things. That is why a lot of us voted for it, and we have been waiting for months for that to get through because the military families have been waiting for some of those benefits that are in that bill that passed, but why did it exclude this provision which could have put money in the pockets of the spouses who are today waiting for their spouses to come back from combat in Iraq or Afghanistan? Probably no more than $600, $500 for families making $20,000 or less. Why could we not have put that in the bill? That again was excluded not by our choice.

I agree, small businessmen and -women do not typically go out on a yacht and sip champagne, and I would be willing to join with my colleague right now and say that all of those small businessmen and -women who do not have yachts and sip champagne on those yachts deserve to get some tax relief, absolutely, but that is not who we are talking about, because the tax relief that was given in the $350 billion tax bill of May of this year gives some of those millionaires enough to put a good down payment on a yacht. When a person gets $93,500 in tax cuts that is enough to put probably, I do not know, I am not sure how much a yacht costs, but it is probably enough for a sizeable down payment on a yacht.

Job numbers. Great to see that the economy may be getting better, may be getting better, but I hope this is not one of those economic recoveries without jobs. A jobless recovery will not do anyone any good. We have lost more than 3 million jobs in the last 3 years, and we have seen too many American workers lose all of their money through Enron-type scandals with their pension funds, and it is time for us to do something differently.

Mr. Speaker, with more than 146,000 jobs in the last quarter gone in our payrolls, it is hard for anyone to believe that America is today now turning the corner, and when we look at our States, whether it is my State of California, which has 880,000 families who were excluded from the child tax credit relief by this legislation, by the acts of the House majority leadership, or whether it was Wisconsin, which has 74,000 families that were excluded from relief, among those 143,000 Wisconsin children, about 11 percent of the families with children under 17 in Wisconsin excluded from child tax credit relief as a result of the inaction in the House to match the Senate.

We are seeing families continue to suffer. When we talk about 3 million people who have already lost their job in the last 3 years, and here we have 6½ million families that are willing to work rather than give it up, and say I am going to go on welfare, I can probably make just as much on welfare than the $10,500 I make on a yearly basis at this job, instead of trying to give them a reward, an incentive to continue that, we are saying no to them. Yes, to the guys that make over $150,000 to get a child tax credit expansion. Yes, to millionaires who get more than $93,500 in tax relief out of the $350 billion tax cut bill that went mostly to the wealthy, but no, to these 6½ million families. It just does not make sense.

Mr. Speaker, I could give my colleagues numbers for every one of the 50 States in America that has several hundreds of thousands of families who will not benefit, who did not benefit from the passage of the tax bill that excluded relief in the expansion of the child tax credit, for these working, tax paying and, in many cases, military families, but I would be repeating what has been said at least 24 other times.

I believe it is time, Mr. Speaker, that we move and match the Senate, and by the same numbers that the Senate did it, by a 98 percent margin vote in favor of giving a child tax credit to those 6½ million families, so those 12 million children know they are as wanted in America as the other children in America who did qualify for the child tax credit expansion, and we can do it without breaking the budget and do it in a way that relieves this economy of its doldrums and gets us back to work.

With that, Mr. Speaker, I would hope that we could reach across the aisle, work together, pass a bill that would cost only $3.5 billion, not $80 billion, match the Senate, get it passed, let the President sign what he said he wanted to sign, and then give those families what they deserve for a long time.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEARCE). Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from California (Mr. BECERRA).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BECERRA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

MOTION TO INSTRUCT CONFEREES ON H.R. 1, MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2003

Mrs. CAPPS. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mrs. CAPPS of California moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill, H.R. 1, be instructed as follows:

1. To reject the provisions of Subtitle C of title II of the House bill.

2. To reject the provisions of section 231 of the Senate amendment.

3. Within the scope of the conference, to increase payments for physician services by an amount equal to the amount of savings attributable to the rejection of the aforementioned provisions.

4. To insist upon section 601 of the House bill.

Mrs. CAPPS (during the reading). Mr. Speaker, I ask unanimous consent that the motion to instruct be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XX, the gentlewoman from California (Mrs. CAPPS)

and the gentleman from Florida (Mr. BILIRAKIS) each will control 30 minutes.

The Chair recognizes the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my motion would do three things. It would instruct conferees to drop privatization language from both the Senate and the House bills. It would direct any savings derived from dropping these provisions to pay for increased physician fees, and finally, the conferees on the Medicare bill would be instructed to protect the language in the House bill that provides for a small increase in Medicare payments to doctors for the next 2 years.

Essentially, this motion would tell the conferees to reject an untried proposal that would jeopardize Medicare and, instead, spend our precious resources to make sure that our doctors will be able to see their patients.

Mr. Speaker, in 1965, we established Medicare because the private insurance industry demonstrated that it could not provide affordable access to needed health care for seniors. I recognize the power of the market, but in trying to provide for the health care to senior citizens, this market falls short.

Our recent experience with Medicare+Choice just shows how true that is. Just 2 weeks ago in Ventura County, California, two private plans serving seniors pulled out, leaving these seniors with no more HMO service. Covering Medicare beneficiaries is too expensive for private plans to justify to their investors, and this is especially true in rural areas where the low population and the short number of providers has proved too high a hurdle for private plans, but in spite of this experience, proven now over many years, the House bill would turn Medicare into such a voucher program.

The Senate bill would simply pay HMOs more per beneficiary than traditional fee-for-service Medicare costs. Basically, it would bribe them to take care of these patients, but if these plans cannot provide the same care as Medicare for less, why would we want to pay them more? Why not just stick with traditional Medicare? This idea is a waste of money, and both approaches would drive premiums for Medicare beneficiaries way up.

The chief actuary of Medicare estimates that under the House bill, premiums would rise by 25 percent under this provision. This would force many beneficiaries to join HMOs and other plans since they could not afford to stay in traditional Medicare any longer, and so these provisions would end the Medicare program that has worked now for nearly 40 years, the Medicare program in which our seniors have such great faith.

Medicare under this plan will be replaced with the program where the health insurance industry itself decides how much a senior will pay and what kind of care they will get, and a senior's cost-sharing and premiums would no doubt change from one area to the next and perhaps from 1 year to the next.

Seniors have paid their payroll taxes all their lives. They were promised that Medicare would provide them with health care no matter where they lived, and now, they see that some in this place are trying to change the rules of the game on them.

AARP is strongly opposed to these kinds of changes, and so is the National Committee to Preserve Social Security and Medicare. These organizations are devoted to protecting America's seniors, and they believe that this is a mistake. They think these resources should be put to better use, and so do I.

I think instead of finding new and faster ways to funnel money to private health insurance plans, we should be shoring up the providers who actually treat and provide health care to our constituents, our physicians. In my District and all across this country, doctors were stunned to see a 4 percent cut announced for next year. This latest cut comes on top of the 5.4 percent cut in 2002. The net result of these cuts would put doctors' reimbursements at 8 percent below their 2001 levels, and it would represent the fifth reduction since 1991.

Payments between 1991 and 2004 will have fallen 19 percent behind inflation in practice costs even using Medicare's own conservative estimates.

These cuts are indefensible.

We are already having a hard time keeping enough doctors and other health care providers to care for the public in many areas of the country.

A number of surveys have indicated physicians increasingly are limiting how many Medicare patients they see and that more will be forced to do so if payments are cut again.

Medicare cuts have ripple effects into non-Medicare health care, because it makes it harder for health care institutions and for rural areas to attract and keep their doctors.

We simply cannot afford another round of cuts.

So this motion would also instruct the conferees to protect the language in the House bill that would give doctors a 1.5 increase in payments for the next 2 years. Though this is a small increase, it is much better than the cut physicians were facing.

The motion would also direct conferees to take the money that would have been spent on privatization to be spent on increasing these physician fees.

This motion is a very simple choice. Do we want to pay the HMOs more money so they may or may not cover our constituents, or would we rather put that money to use ensuring that there are enough doctors, the true professionals, who treat America's seniors and those with disabilities?

I urge my colleagues to choose our doctors and their patients over the insurance industry. I urge them to support this motion and make clear where they stand.

Finally, Mr. Speaker, I just want to note how unfair this entire conference process has been. The ranking members of the committees of jurisdiction, members of the conference and Representatives of hundreds of thousands of Americans are not even allowed in the room to be heard on this bill. The voice of the minority is a very important part of our public debate.

This exclusionary, undemocratic process that disenfranchises more than 100 million Americans is all too common up here.

Comprehensive and controversial changes like this bill cannot be sustained without the broad bipartisan support that this bill lacks.

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I appear to be the only speaker on this side. I do not know how many speakers the gentlewoman has.

Mrs. CAPPS. Is the gentleman reserving the balance of his time at the moment?

Mr. BILIRAKIS. Mr. Speaker, what I would like to do is reserve the balance of our time and be the last speaker, just before the gentlewoman's closing.

Mrs. CAPPS. That is very fine.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. BROWN), the ranking member of the Subcommittee on Health on the Committee on Energy and Commerce.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the work that my friend from California (Mrs. CAPPS) does on all kinds of Medicare issues, from what she has done today with the nursing shortage to intercity hospitals and everything in between.

I also support and appreciate the good work that the gentleman from Florida (Mr. BILIRAKIS) has done on a whole host of Medicare issues, and I know from working with the gentleman from Florida (Mr. BILIRAKIS) of his personal support for Medicare, his belief in Medicare. Unfortunately, though, the beliefs of my friend on the other side of the aisle does not always play out in support for Medicare by some other members of the Republican conference.

I remember hearing the gentleman from California (Mr. THOMAS), the chairman of Ways and Means, the principal player on this conference committee that the gentlewoman from California (Mrs. CAPPS) talked about, more than 50 percent of American people, Senate and House, are simply not allowed in the House. More than 50 percent of the Senate, 48 percent of the people represented by House Members, but the gentleman from California (Mr. THOMAS) has said he wants to end Medicare as we know it.

All we have got to do really is look back on the history of this program, and while the gentleman from Florida (Mr. BILIRAKIS) does indeed care about

Medicare, wants to continue to make it work, wants to preserve it, so many of his fellow Members, including people in the White House, simply do not.

The President, some months ago, said that he wants to do a prescription drug benefit, but he said if you want a prescription drug benefit, you have got to get out of Medicare, and you have got to let the insurance industry do it.

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That has really been the thrust from President Bush to the gentleman from California (Mr. THOMAS) to Speaker Gingrich a few years ago, to back in 1965, Republicans really wanted this system turned over to the insurance companies. Privatize Medicare and give it to the insurance industry. Go back to 1965, out of roughly 200 Republican Members of the House and Senate, only 23 voted for the creation of Medicare. Gerald Ford in 1965, a future President, voted against it. Congressman Dole, future Senator Dole, Republican Presidential candidate, voted against it. Senator Strom Thurmond voted against the creation of Medicare. Congressman Donald Rumsfeld in 1965, later Secretary of Defense and the architect of this plan, I put in quotation marks, of the rebuilding of Iraq, voted against this creation of Medicare.

Then in 1995, the first time Republicans had an opportunity to do something about Medicare, the Republicans under Speaker Gingrich tried to cut it by $270 billion in order to give a tax cut to the most privileged Americans, the same old story. Speaker Gingrich said in October 1995 that he hoped Medicare would wither on the vine.

Senator Dole in October 1995 said, that I was in there fighting against the creation of Medicare because we did not believe in it. The next year he was a Republican candidate for President.

Dick Armey, sometime later, said about Medicare, in a free capitalist country, we would not have a socialist program like Medicare. And a Republican Congressman from Georgia recently said, I heard in the Committee on Rules, said that Medicare is a Soviet-style program.

They are free to think what they want about Medicare, and the more power to them. If they do not like Medicare, that is their business, but do not come on the floor like so many Republicans have, and I accept the gentleman from Florida (Mr. BILIRAKIS) because he believes in this program, but so many Republicans come to the floor and say I believe in Medicare. I have a mother and father, and I care about them, and I care about Medicare. Sure, they care about their mother and father, but they simply do not much like Medicare. They want to privatize it and end it as we know it. They want to turn it over to the insurance companies.

Mr. Speaker, that is why the motion to instruct by the gentlewoman from California (Mrs. CAPPS) is so important to send a message to the conference committee and to send a message to the American people that Medicare works and we do not want it turned over to the private insurance industry.

Mrs. CAPPS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Speaker, I rise in support of this motion by the gentlewoman from California (Mrs. CAPPS), who has done fantastic work in this area.

This motion instructs the Medicare conference committee to reject the controversial and risky privatization scheme of premium support and reallocate that money to increase the payment to physicians who care for Medicare beneficiaries.

Let me first discuss the issue of premium support and why I am concerned that this scheme could potentially dismantle the program of Medicare. I am concerned about subjecting a proven health care delivery system like Medicare to the uncertainty of the private market. I am especially hesitant about the system that relies on HMOs to provide this service to our seniors.

In my home area of Merced County, there is not one Medicare+Choice plan that my constituents can participate in. HMOs have made it abundantly clear that serving the rural areas and serving rural America is not profitable; and, therefore, they have pulled out of those regions in a mass exodus. Now the House bill relies on these private plans to provide services for Medicare beneficiaries. It just does not make sense.

Additionally, since its inception, Medicare has been a defined benefit system for which seniors pay a guaranteed premium each month and receive a guaranteed benefit.

In the House Medicare proposal, seniors' health care costs would be subsidized in the form of a voucher which they could then use to buy coverage in the private market. Their benefits can vary widely. Their choice of doctors can be restricted. Some services may not be covered, and so and so forth.

In theory, this system is supposed to cut costs by introducing competition into a Federal entitlement program. Unfortunately, all this plan really does is pass the costs of health care on to our constituents.

The basic foundation of Medicare is that we are all in this together and that everyone shares the risk. With premium support, the risk stays in the Medicare pool while healthy beneficiaries are picked off by private insurance companies in order to make a profit.

Seniors do not want this. They do want their choice of doctor, they do want a choice of hospital, and most importantly, they want to be able to afford their health care. So let us not take a gamble with our seniors. Let us use the money that we will save by striking this provision and put it toward something more tangible. If we increase payments to doctors who see Medicare patients, we will ensure that they continue to offer the highest quality care and not be forced to drop Medicare patients because the system cannot cover the basic cost of their treatment.

Mr. Speaker, physicians are being forced out of providing services to Medicare patients at an alarming rate. In fact, CMS just announced they would be imposing a 4.5 percent reduction in physicians' Medicare reimbursements effective January 2004. This is a disservice to our Nation's doctors and to our seniors. I urge a ''yes'' vote on this motion.

Mrs. CAPPS. Mr. Speaker, I yield 4 minutes to the gentleman from Oregon (Mr. DEFAZIO), whose rural district has faced the experience of having insurance companies up and leave.

Mr. DEFAZIO. Mr. Speaker, I thank the gentlewoman for her leadership on this issue.

It is a funny thing here, we are being told that the Republicans want to inject competition into the insurance market. Well, if they really want to do that, why do they not support my bill to lift the antitrust exemption from the insurance industry? The only industries in America exempt from antitrust law who can and do get together in private resorts on an annual basis to collude, to fix prices and red line out a whole bunch of potential clients is the insurance industry and, of course, professional sports. These are the only industries in America in a country of capitalism and competition who are exempt from any restriction on collusion.

Now we are going to throw our seniors onto the tender mercies of this collusive, anticompetitive industry. Oh, that is great. My seniors already had this experience. We had Medicare+Choice, HMOs. Oh, this is going to be great. You are going to get more benefits than under fee-for-service. Well, the companies were not able to collude and set the prices quite high enough to satisfy their profits, so they up and left with very little notice. My seniors were left in the cold.

Now what we are going to do is not only recreate that structure which has already failed the seniors of America once, to throw them on the mercies of an anticompetitive and collusive industry that does not give a darn about them, but now we are going to jigger it even a little more so it can destroy the Medicare fee-for-service plan, to which my seniors returned when they were screwed by the insurance industry. That is right; they were screwed. Suddenly you do not have an HMO plan any more, tough luck, we do not care. They could at least go back to Medicare fee-for-service.

But under this plan, it is beautiful. They are not going to have that option anymore because it is going to undermine the fee-for-service plans. It is a little thing called adverse selection. We are going to let the private, anticompetitive, collusive insurance industry cherry-pick the people they want

to cover for as long as they might want to cover them. You can get a policy for a year; but if you get sick, next year we are not going to renew your policy. That is the way this industry works.

Mr. Speaker, Members need to talk to their constituents. It is happening to people who are young, people with small businesses. Someone gets sick, we cannot renew your policy. Or we can renew your policy, only there is a 400 percent increase in premiums. That is what they are going to do to seniors because this thing is even more dastardly because it is going to destroy the core problem because we will leave the oldest, the sickest, and the ones that the collusive insurance industry does not want to cover over here in the Medicare fee-for-service, and make them pay more for it. We are going to make them pay more for it.

So this is a great option for seniors. Either the collusive industry that does not want to cover people who are sick or incurring costs will offer you a deal, or you can go back over here to Medicare which we have undermined and jacked the premiums up dramatically. That is the so-called choice in competition that the Republicans are offering the seniors of America.

Mr. Speaker, this is just an incredible travesty for this House and for the people's Representatives to even pretend that this somehow is going to improve coverage for our seniors.

Mr. BILIRAKIS. Mr. Speaker, I reserve the balance of my time.

Mrs. CAPPS. Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I come here tonight in order to urge the House to support the gentlewoman's motion. It is absolutely clear that the Republican bills, both in the House and the Senate, do encourage people to move away from traditional fee-for-service Medicare. As the gentleman from Ohio (Mr. BROWN) said earlier, when asked on a television program about the damage that these proposals might do to traditional Medicare, the gentleman from California (Mr. THOMAS), the Chair of the Committee on Ways and Means said, ''I certainly hope so'' when asked if it would destroy Medicare as we know it.

But let us look back at what is happening in the State of Maine. In Maine today there is no private sector health insurance for people on Medicare. It is all Medicare fee-for-service. So when people in Washington say we are going to change your health care system, we are going to move people out of traditional fee-for-service into insurance company coverage, well, they are going to have trouble persuading people from Maine that makes any sense.

I speak from personal experience. Both of my parents passed away in the last couple of years. But before they did, in their mid-to-late eighties, they spent 1 year on a plan called Golden Care, a wraparound private insurance plan that included Medicare. It was not golden; it was a nightmare because the insurance company did what insurance companies do: deny coverage. My mother would go to the doctor. She thought she had authorization, and it would come back and the claim would be denied. That is what insurance companies do. We cannot let that happen to seniors on Medicare.

My chief of staff has a father who spent most of the last 10 days in the hospital. He had a very serious heart problem. He was in for one test after another test. He was in overnight. His situation on more than one night was extremely grave. At one point, finally, after a week in the hospital with round-the-clock care, he looked up at his wife and he said, thank God for Medicare. Thank God for Medicare.

What the Republican bills are doing is making sure that Medicare as we know it gradually withers on the vine and that it is replaced by your friendly insurance company.

I do not have a single constituent in Maine who has ever come to me and said I am ready to give up the choice of doctors and hospitals under Medicare, but what I really want is a choice of insurance plans. Send me those brochures, those insurance plans, that is what seniors want at 85 years old. I do not think so. Save Medicare, support the motion.

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Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Ohio, particularly for his kind remarks. I rise in opposition to the motion to instruct offered by the gentlewoman from California (Mrs. CAPPS). This is just the latest, I think, in a long line of motions to instruct that hurt our ability to finish our Medicare bill and provide prescription drugs to seniors. I am going to focus my remarks principally on the comments made of saving money from taking money away from the H.R. 1 program, if you will, and putting it into providers.

I have been a tireless advocate of fixing the formula that the Centers for Medicare and Medicaid Services uses to annually update Medicare payments to physicians. In fact, I introduced a bill in late 2001 that would have prevented that 5.4 percent cut in physician reimbursements under Medicare that went into effect in 2002. I believe the gentlewoman was supportive as were others. Physicians were slated to receive another cut, this time of 4.4 percent, were it not for congressional action that corrected flawed data in the update formula and provided physicians with a 1.6 percent update for 2003.

However, persistent flaws in the update formula mean that physicians are looking at negative updates next year and through 2007, and this motion to instruct does not fix that. It makes no sense, and the others have said it, it makes no sense that we would be cutting payments to our Nation's doctors at the same time that their costs are rising.

That is why the House bill contains provisions, and if this bill goes down, those provisions will not be applicable and the increases that we are all talking about would not take place.

That is why the House bill contains provisions that will ensure that physicians will see their reimbursements under Medicare, rather than cut by 4.4 percent, would be increased by 1.5 percent in fiscal years 2004 and 2005. This will provide Congress with the time that it needs to make long-term reforms to the Medicare physician payment update formula so that physicians can count on predictable, rational payments from Medicare. It will also avoid a major physician access problem for Medicare beneficiaries.

I would note, Mr. Speaker, that a number of organizations representing America's physicians, including the American Medical Association, the American Osteopathic Association and the Alliance of Specialty Medicine all strongly support the House bill. I would quote from an October 30, 2003, letter from the American Medical Association. I believe the minority is aware of this. The last few lines basically say:

Pending Medicare payment cuts must be addressed now, not in 2010, which is basically what the instructions go to, and the flawed payment formula must be addressed through replacement of the formula. Simply attempting to transfer dollars from patients to physicians through some ambiguous, unspecified mechanism, as is intended under the Capps motion to instruct, would not change the flawed Medicare payment formula, and thus would not ensure long-term access for Medicare patients.

I received another letter dated the same date, October 30, from the American Osteopathic Association. It starts out:

On behalf of the 52,000 osteopathic physicians represented by the American Osteopathic Association, I write to thank you for your efforts to reform and improve the Medicare program. The AOA applauds the consistent effort by the committee and their staffs to finalize a legislative compromise that will improve the health care of millions of Medicare beneficiaries. We encourage the committee to complete work on the pending conference report, enabling both Chambers to approve the legislation before the end of the year.

In the next paragraph it finishes up by saying:

Additionally, section 601 of the bill includes reforms that reduce the future economic volatility of the physician payment formula. These provisions have strong bipartisan, bicameral support. We urge their inclusion in the final conference report.

It goes on the next page:

Given budget constraints, the AOA understands that a long-term solution

for the physician payment issue could not be included in this legislation, and I add to that my own comment, unfortunately. However, we believe strongly that section 601 provides short-term relief that will allow physicians to continue participating in the Medicare program, preventing an increase in access problems for Medicare beneficiaries. Furthermore it provides Congress ample time to develop and implement long-term reforms of the Medicare physician payment. I would add parenthetically, in my own words, that I would hope we could work together with the minority to fix that terrible, terrible, unfair formula.

We received another letter from the Alliance of Specialty Medicine basically saying the same sort of thing in a different way. It is signed by the American Academy of Dermatology Association, American Association of Neurological Surgeons/Congress of Neurological Surgeons, American Association of Orthopedic Surgeons, American College of Cardiology, American College of Emergency Physicians, American College of Radiology Association, American Gastroenterological Association, American Society for Clinical Pathology, American Society for Therapeutic Radiology and Oncology. American Society for Cataract and Refractive Surgery, American Urological Association, National Association of Spine Specialists, Society of Thoracic Surgeons.

Mr. Speaker, I would also note, and I hate to put it this way, but if my friends really would like to help America's physicians and, yes, I appreciate the fact that they are on our side in terms of trying to have an increase rather than that great, terrible decrease, then I would recommend that they support, or at least favorably, objectively, open-mindedly look at the balanced liability reform like H.R. 5, which is the HEALTH Act. The gentlewoman from California voted against this legislation. I do not question that she wants to help the providers. I certainly do not. But those people who voted against this legislation, I would like to think they basically did so with a closed mind which America's doctors so desperately, desperately need.

I have heard a number of charges that Congress is considering handing Medicare over to the HMOs. That is not what the House did at all in the Medicare reform bill that we passed.

What the House did do was to improve the Medicare+Choice program and set up a new system. It has been said that people have been dealt unfairly by virtue of losing their HMO because they moved out. That has happened in my district in Florida, too. I have reprimanded and I have admonished as far as that is concerned but, my gosh, if that is the case, then those programs apparently were liked. They were liked by the particular patients. They are distressed because they have been taken away. Their Representatives are standing on the floor of the House here and complaining that they have been taken away. So there must be some good to them. I am not sure that I would have recommended any of them to my parents, but that is my personal choice.

What the House did do was to improve the Medicare+Choice program and set up a new system that will encourage regional plans to offer seniors another choice besides traditional Medicare. It is my hope that this will extend new choices to folks in rural areas who have not had a choice in Medicare before.

I talked to the gentlewoman from Florida (Ms. CORRINE BROWN) on the floor of the House during our last series of votes. We talked about this. I said, what we're basically saying is let's be open-minded. Let's be objective. Let's take a look at new ideas. They may not be any good. There may be some good to them, there may be some bad to them, but let's be open-minded. That is basically what I was pleading. That is what we are trying to do in the conference. We are going back and forth. It is a bipartisan thing.

I remember one of the most important gentlemen, the longest in seniority in the House basically calling a particular piece of legislation he introduced bipartisan when there was one Republican who cosponsored that legislation. So he called it bipartisan. We have two Senators in these gatherings. That is pretty darn bipartisan, I would say even more so bipartisan. But what the House did not do, and I would never support, and I very much appreciate the gentleman from Ohio making those comments, is force seniors to leave traditional Medicare. I feel very strongly about that. There are a lot of lengthy, sometimes heated discussions taking place regarding that. Any statements that characterize the House bill in any other way are, I say without any hesitation, 100 percent false.

I would have voted, Mr. Speaker, in the mid-sixties, I like to think I would have if I had been in the House at that time, to establish the concept of Medicare. My parents, along with so many others, took advantage of it. They are both gone now. I certainly look forward to retiring one of these days and taking advantage of it. I am concerned that it be a viable system, it is a system that is hurting right now, but be a viable system.

The reality that we are all facing and that many folks here in Congress seem to not want to address is that reforms must be made to ensure that Medicare continues to exist. It is a great program. There is no question about it. In my opinion it is. I say that. I do not hesitate. There are faults in it. It has got to be reformed. Anything that has been in effect for something like 40 years has got to be looked at again and possibly some changes made. We have got to ensure that Medicare continues to exist for future generations. As we add a $400 billion benefit, a $400 billion drug benefit to a program that already has, we forget this, do we not, $13 trillion in unfunded liabilities, we have got to take a serious look at how we can place the program on a sound financial footing for the future.

The House and the Senate did take different approaches in trying to meet this goal. We are currently working through those differences, but I want to emphasize and what I do want to emphasize, and really emphasize, is that none of those options involve forcing any senior to ever leave traditional Medicare.

Conferees are working around the clock, almost literally around the clock. We meet again tomorrow. We will meet Monday and Tuesday, on Veterans Day. My veterans back home will not be happy to hear that, but we will be up here meeting Monday, and we will be meeting on Tuesday and there is a possibility, a very strong probability, we may not have any votes in the House next week, but the conferees will be here as we were during the last few days when we did not have any votes for 3 days during the particular week.

We are trying to reach a compromise on this issue. I am hopeful that we will emerge with a conference report that will add a new prescription drug benefit that will be available to all Medicare beneficiaries but be voluntary, provide seniors with new choices under Medicare and reimburse our health care providers, including physicians, fairly, so that beneficiaries will continue to have access to high quality care.

Mr. Speaker, the gentlewoman means well, and we have worked well together in the past, but I submit that this motion to instruct will not help us to meet that goal. I urge my colleagues to oppose it.

Mr. Speaker, I yield back the balance of my time.

Mrs. CAPPS. Mr. Speaker, I yield myself such time as I may consume.

I want to thank my colleague from Florida. I do appreciate his discussion about the importance of supporting our physicians and our Medicare providers. I have noticed his leadership in the past of restoring the cuts that have been coming with a steady drumbeat since 1997, really, and have gone to the bone in terms of their ability to stay, delivering Medicare to our seniors and our citizens with disabilities. I support his efforts to do that as well.

That is what this motion to instruct conferees is all about. It is about the ability to keep that 1.5 percent that is already in the underlying bill and to perfect the bill, to make it something that we can support in a bipartisan fashion, by taking the funding that would be used for the privatization that would be used to subsidize the insurance companies to deliver Medicare services, amounting to $6 billion, and put that funding right away instead to the providers who need this kind of support.

Mr. BILIRAKIS. Mr. Speaker, will the gentlewoman yield?

Mrs. CAPPS. I yield to the gentleman from Florida.

Mr. BILIRAKIS. That $6 billion, as I understand it, is in the Senate version. There is no money contemplated in terms of a cost in the House version. But in any case I do not disagree with her on this $6 billion.

Mrs. CAPPS. We are assuming the Senate bill will have some play in the discussion that is perhaps going on in the conference committee at the moment, and that is where we would urge the attention of the conferees to be put, that there is funding that has been set aside in the Senate bill that would make quite a difference in Medicare providers being able to stay, particularly in rural areas to continue to deliver the service.

I have seen the statement of the AMA and the osteopaths on this motion to instruct, and I need to say clearly for the RECORD that these letters do not describe correctly my motion to instruct. My motion to instruct supports the AMA position on physician fees. This motion explicitly supports the provision in the House bill that provides immediate assistance to doctors. In no way does it delay or support a delay in fixing the physician fee problem. Despite what the AMA and other groups have said, this motion does not delay permanent actions on fixing the sustainable growth rate. This motion does not address a long-term fix, but neither does the House bill.

The reason the House bill does not have a long-term fix is because it is very expensive. My motion would prevent the conference from spending money on risky privatization schemes when that money should be used to help finance a long-term solution to the physician fee problem. I believe the AMA must have been reading a different motion. Their statement says we are taking money from patients to give it to physicians. It could not be further from the truth.

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Section 231 of the Senate bill has the Federal Government paying private plans, not patients. I frankly think that patients would be better served if that money went to their own doctor than to bribe some private plan to pay for their services or to play in the field.

I am disappointed that the AMA has so inaccurately described my motion, and I hope this is an inadvertent mistake. I have work very closely with the AMA and other professional groups on the problem of physician fees; and recently I brought Tom Scully, the administrator of Medicare, to a meeting of doctors in my district. The motion I am offering today is designed to respond to the concerns that they raised in that meeting with Administrator Scully. The AMA is wrong about what my motion does, and their position does not reflect the position of doctors in my district.

In addition, I wanted to address the gentleman's comments about leaving traditional Medicare in place. This House bill, which we have dealt with in the House before, will lead to rising Medicare part B costs because it would leave the sicker patients in traditional Medicare, while healthier seniors will go to HMOs. We have seen this in the Medicare+Choice plans, and we will certainly see it in a plan such as is proposed in this underlying bill. This is going to lead to much higher premiums for those who remain in Medicare. Seniors who do not want to join an HMO will be forced to because their premiums will be to expensive.

Mr. Speaker, this is a clear and very simple choice. On the one hand, we have HMOs and the insurance industry. On the other hand, we have the doctors who administer care, who know how to do this every day under Medicare, and their patients. The House and Senate bills seek to impose an untried and unnecessary privatization scheme onto Medicare. They will overpay HMOs in a bribe to get them to cover beneficiaries. These provisions would force seniors into private plans and drive up the premiums on those who stay in traditional Medicare. It would mean that seniors in different parts of the country would be paying different amounts for the same care. Instead of jeopardizing the Medicare system in this way, we could be ensuring that Medicare beneficiaries could see their doctors by making sure that they are reimbursed appropriately.

Support this motion to instruct to be sure that conferees support doctors over HMOs and protect our constituents from ill conceived changes.

So that is the motion to instruct conferees that we have proposed and that we hope will be passed in this House of Representatives so that the conferees will take seriously these recommendations to improve the underlying Medicare bill and make it something that could receive bipartisan support in the House of Representatives.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEARCE). Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from California (Mrs. CAPPS).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mrs. CAPPS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

THE WAR IN IRAQ AND SUPPORTING OUR TROOPS

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

Mr. BROWN of Ohio. Mr. Speaker, since July I have come to the floor of this House night after night sharing letters from constituents and raising concerns about our policy in Iraq, raising concerns about the administration's failure to supply and to protect the troops, raising concerns about the $1 billion a week, now an increase to $87 billion a year for this Iraq reconstruction effort, raising concerns about the fact that there is no plan from the administration on how to deal with the problems for our troops and how to deal with an exit strategy in Iraq, letters expressing concern about the corruption in our government in Iraq where we are spending $1 billion a week and 30 percent of that $1 billion is going to private contractors, most of them friends of the President, Bechtel, Halliburton, other large corporations, most of them contributors to the President to the tune of hundreds of thousands of dollars, and one of them, Halliburton, particular concerns have been raised about from my constituents. Halliburton, the company that the vice President, when he was a private citizen, was CEO of, that company still pays Vice President CHENEY $13,000 a month.

Tonight, rather than reading letters from constituents, I thought I would read something else that I think is equally interesting. It was from a book that George Bush, Sr., the first President Bush, wrote with Brent Scowcroft in 1998. The name of the book was ''A World Transformed.'' On Page 489, the first President Bush tells us his views about Iraq and what he thought. This is President Bush the first speaking:

''Trying to eliminate Saddam'' Hussein, ''extending the ground war into an occupation of Iraq, would have violated our guideline about not changing objectives in midstream, engaging in 'mission creep,' and would have incurred incalculable human and political costs.'' This is President Bush, Sr. writing in 1998: ''Apprehending him,'' Saddam Hussein, ''was probably impossible. We had been unable to find Noriega in Panama, which we knew intimately. We would have been forced to occupy Baghdad and, in effect, rule Iraq. The coalition,'' President Bush wrote in 1998, ''would instantly have collapsed, the Arabs deserting it in anger and other allies pulling out as well. Under those circumstances there