EXPRESSING CONGRATULATIONS TO ROSA PARKS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, today we honor Rosa Parks for her heroic acts that helped change race relations forever in this country. She lit a fire under the civil rights movement when on December 1, 1955 she bravely refused to give up her seat on a bus to a white man. Many other people were instrumental in the struggle, but her act of defiance of an unjust segregation law visibly rallied people together and helped change our nation.

Congress is awarding Mrs. Parks a Gold Medal because we are proud that she stood up for what was right and set in motion the chain of events which ultimately led to the Civil Rights Act of 1964 which ensured that all black Americans had the right to equal treatment under the law with white Americans.

We are proud that her arrest rallied people against segregation in a year-long bus boycott in Montgomery, Alabama that finally ended when the Supreme Court ruled that segregation of transportation was illegal.

Several years ago in Richmond, Calif., in my congressional district, I had the privilege to join with the Richmond NAACP to honor Rosa Parks at its annual dinner. She passed on her powerful story to younger generations of Americans who are working every day to achieve racial justice America.

This medal we bestow upon Mrs. Parks sends an important message not just about the history of the civil rights movement but about the struggles that our society faces today. The Gold Medal for Rosa Parks, I hope, is a message to all Americans to have the courage of your convictions and to stand up—or to sit down, whichever may be more appropriate—for what you believe is right. As Mrs. Parks wrote in her memoir, ''our mistreatment was just not right, and I was sick of it.''

More than forty years after Mrs. Parks' arrest, despite significant improvements, racial divisions are still strong. They show up in all elements of society and are still reflected in the huge gaps between blacks and white in income and employment, in health and in educational achievement. Progress is being made, to be sure, but it is slow. These gaps should be intolerable to all Americans, not just to those who must suffer their consequences. Most recently, many of my colleagues here have also correctly denounced the practice of profiling, where police officers stop black motorists for no other reason than they fit the profile that the police have decided fits that of a criminal. Profiling is being challenged as violation of these motorists civil rights and this practice should indeed be brought to an abrupt halt.

As we thank Rosa Parks and honor her with a Congressional medal, we must also dedicate ourselves to carry out her dream of a just and tolerant society. Her bold action inspired thousands of Americans to join together to demand change. It should still inspire us to make our society a more just and humane place.

Many people have commemorated the courageous action of Rosa Parks, including the popular and very talented group, The Nevill Brothers, who wrote a tribute to her. I could not agree with them more when they sing.

Thank you Miss Rosa
You were the spark
That started our freedom movement,
Thank you Sister Rosa Parks.

INTRODUCTION OF HEALTH INSURANCE FOR AMERICANS ACT OF 1999: LEGISLATION TO PROVIDE REFUNDABLE TAX CREDITS FOR THE PURCHASE OF HEALTH INSURANCE THROUGH A FEHBP-TYPE POOLING ARRANGEMENT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1999

Mr. STARK. Mr. Speaker, the biggest social problem facing America today is that one in six of our fellow citizens have no health insurance and are all too often unable to afford health care.

About 44 million Americans have no health insurance. Despite the unprecedented good economic times, the number of uninsured is rising about 100,000 a month. It is unimaginable what will happen if and when the economy slows and turns down. One health research group, the National Coalition on Health Care, has estimated that with rising health insurance costs and an economic downturn, the number of uninsured in the year 2009 would be about 61.4 million.

The level of un-insurance among some groups is even higher. For example, in California it is estimated that nearly 40% of the Hispanic community is uninsured.

An article by Robert Kuttner in the January 14, 1999 New England Journal of Medicine entitled ''The American Health Care System,'' describes the problem well: ''The most prominent feature of American health insurance coverage is its slow erosion, even as the government seeks to plug the gaps in coverage through such new programs as Medicare+Choice, the Health Insurance Portability and Accountability Act (HIPAA), expansions of state Medicaid programs, and the $24 billion Children's Health Insurance Program of 1997. Despite these efforts, the proportion of Americans without insurance increased from 14.2% in 1995 to 15.3% in 1996 and to 16.1% in 1997, when 43.4 million people were uninsured. Not as well appreciated is the fact that the number of people who are under-insured, and thus must either pay out of pocket or forgo medical care, is growing even faster.''

Does it matter whether people have health insurance? Of course it does. No health insurance all too often means important health care foregone, with a minor sickness turning into a major, expensive illness, or a warning sign ignored until it is fatal. Lack of insurance is a major cause of personal bankruptcy. It has forced us to develop a crazy, Rube Goldberg system of cross-subsidies to keep the 'safety net' hospital providers afloat.

Mr. Speaker, what is wrong with us? No other modern, industrialized nation fails to insure all its people. I don't believe we are incompetent, but our failure to provide basic health insurance to all our citizens is a national disgrace.

Personally, I would like to see all Americans have health insurance through an expansion of Medicare to everyone. I am also a co-sponsor of Rep. MCDERMOTT's single payer type program, which is modeled on Canada's success in insuring all its people for about 30% less than we spend to insure only 84% of our citizens.

But these efforts are not likely to succeed in an conservative Congress or in a closely-divided Congress.

Therefore, yesterday I introduced legislation, H.R. 2185, to try another approach—a refundable tax credit approach—which I believe can be made to work and which is similar to a number of bills recently introduced by various Republican members.

Unfortunately, many of these earlier tax credit bills don't work. They either throw money at people who already have health insurance (e.g., 100% tax deductions for health insurance for small employers), provide a pitiful amount of money that wouldn't buy a fig leaf of a policy (e.g., a $500 credit bill), or if they do provide enough money, waste it by providing no 'pool' or 'wholesale' market and forcing people into the retail market where insurance companies take 20–30% off the top, refuse to insure the sick, and raise rates on older people so that the credit is woefully inadequate.

The failures in these bills can be addressed. I think my proposal solves many of these problems. The idea of a tax credit approach to ending the national disgrace of un-insurance is a new one, however, and we desperately need a series of detailed, thoughtful hearings to design a program that will provide real help and not waste scarce resources on middlemen.

The Health Insurance for Americans Act I introduced:

Provides in 2001 and thereafter a refundable tax credit of $1200 per adult, $600 per child, and $3600 total per family. These amounts are adjusted for inflation at the same rate that the Federal government's plan for its employees (FEHBP) increases.

The credit is available to everyone who is not participating in a subsidized health plan or eligible for Medicare.

The credit may only be used to buy ''qualified'' health insurance, which is defined to be private insurance sold through a new HHS Office of Health Insurance (OHI) in the same general manner that Federal employees ''buy'' health insurance through the Office of Personnel Management.

Any insurer who wants to sell to Federal workers through FEHBP must also offer to sell one or more policies through OHI. OHI will hold an annual open enrollment period (similar to FEHBP's fall open enrollment) and insurers must sell a policy similar to that which they offer to Federal workers (but may also offer a zero premium policy), for which there is no-pre-existing condition exclusion or waiting period, for which the premium and quality may be negotiated between the carrier and OHI, and which must be community-rated (i.e., it won't rise in price as individuals age).

Mr. Speaker, a refundable tax credit sounds like an easy idea, but as in all things in America's $1.1 trillion health care system, there are some serious problems that have to be addressed.

The major problems with a refundable credit are:

(1) How to get the money to the uninsured in advance, so that the uninsured, who tend to

be lower income, can buy a policy without waiting for a refundable credit?

(2) How to make sure that the credit is spent on health insurance and there is no tax fraud?

I solve both of these problems through credit advances to insurers administered through OHI.

(3) How to limit the credit to those who are uninsured, and avoid encouraging employers and those buying private insurance on their own from substituting the credit for their current coverage?

By limiting the size of the credit, most people who have insurance through the workplace or are participating in public programs will want to continue with their current coverage. The credit is adequate to ensure a good health insurance plan, but most workers and employers will want to continue with the current system.

Having said this, there is no question that this credit is likely to erode gradually the employer-based system. It is hard to see employers wanting to offer new employees a health plan, when they can use this new public plan. Indeed, it is likely that an employer will say, ''I will pay you more in salary if you will go use the tax credit program.''

But is this bad? The employer-based health insurance system is an historical accident of wage controls during World War II where in lieu of higher wages, people were able to get health insurance as a fringe benefit. This system is collapsing. No one today would ever design from scratch such a system where your family's health care depended on where you worked. It is, frankly, probably good that this system would gradually erode—if there is something to replace it. The Health Insurance for Americans Act provides that replacement. To the extent that workers have better health care through their employer, the employer can continue to provide increased pay for the purchase of ''supplemental'' or ''wrap-around'' health benefits and can even help arrange such additional policies for their workers—and both workers and employers come out ahead.

The bill I am introducing does not force an overnight revolution in the employer-provided system. But the current system is dying, and my bill provides a transition to a new system in which employees will have individual choice of a wide range of insurers (instead of today's reality, where most employees are offered one plan and only one plan).

(4) How to make the credit effective by allowing the individual to buy ''wholesale'' or at group rates, rather than ''retail'' or individual rates?

(5) How to make sure that individual who most need health insurance—those who have been sick—are able to use the credit to obtain affordable insurance?

(6) How to minimize the problem created when the healthiest individuals take their credit and buy policies which are ''good'' for them (e.g., Medical Savings Accounts), but ''bad'' for society because they leave the sicker in a smaller, more expensive insurance pool (that is, how do we keep the insurance pool as large as possible and avoid segmentation and an 'insurance death' spiral)?

Again, the OHI/FEHBP idea largely solves these 3 problems, by giving individuals a forum where they can comparison shop for a variety of plans that meet the standards of the OHI and achieve efficiencies of scale and reduced overhead.

These questions are the single biggest problem facing the refundable credit proposal. Even if we are able to 'pool' the individuals, will insurers offer an affordable policy to a group which they may fear will have a disproportionate number of very sick individuals?

We may need to develop a national risk pool 'outlet' to take the expensive risks and subsidize them in a separate pool, so that the cost of premiums for most of the people using OHI is affordable. Another alternative, and probably the one that makes the most sense for society, is to mandate that individuals participate in the OHI pool (if they don't have similar levels of insurance elsewhere). Only by getting everyone to participate can we ensure a decent price by spreading the risk. The danger that young, healthy individuals will ignore (forego) the tax credit program may be serious enough that it will cause insurers to price the OHI policies too high, thus starting an insurance ''death spiral'' as healthier people refuse to participate and rates start rising to cover the costs of the shrinking pool of sicker-than-average individuals.

As I said earlier, the different Republican tax credit proposals fail to deal with these key questions and problems. But their bills have helped focus us on this national crisis. Through hearings and studies, I hope we can find ways to ensure that these technical—but very important questions—are addressed.

There is one key, monstrous question left: how to pay for the refundable credit so we may end the national disgrace of 44 million uninsured?

I have not addressed this issue in the bill, but am willing to offer a number of options. I would like to see the temporary budget surpluses used to start this program—but those surpluses are temporary and we need a permanent financing source.

The problem of the uninsured is largely due to the fact that many business refuse or are unable to provide health insurance to their workers. The fairest way to finance this program would be a tax on businesses which do not provide an equivalent amount of insurance to their workers. Such a tax, of course, would slow the tendency of this program to encourage businesses to drop coverage. Since many small businesses could not afford the tax, we will need to subsidize them.

Another approach would be to apply the next minimum wage increase to the payment of health insurance premiums by those firms which do not offer insurance. A 50 cent per hour minimum wage increase dedicated to health insurance would pay most of an individual's premium.

Other financing sources could be a provider and insurer surtax, since these groups will no longer need to be subsidize the uninsured and will be receiving tens of billions in additional income. Finally, to end the national disgrace of un-insurance, a small national sales or VAT tax would be in order.

Again, Mr. Speaker, I have said that the earlier tax credit proposals have serious structural problems. The biggest problem they have is not saying how they will pay for their plans. Until Members talk about financing, all of these plans are sound and fury, signifying nothing.

These tax credit bills are obviously expensive, but so is the cost of 1 in 6 Americans being uninsured. In deaths, increased disability and morbidity, and more expensive use of emergency rooms, American society pays for the uninsured. If we could end the national disgrace of un-insurance, we would save billions in improved productivity, reduced provider costs, bad debt, personal bankruptcy, and disproportionate share hospital payments.

Mr. Speaker, it is time for America to join the rest of the civilized world and provide health insurance for all its citizens.

REMEMBERING SYLVIA WURF

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1999

Mr. NADLER. Mr. Speaker, recently Brooklyn lost one of its most outstanding citizens, Sylvia Wurf. Sylvia worked for our former colleague, Representative Stephen J. Solarz, in his Coney Island District Office, in what is now the Eighth Congressional District. Sylvia Wurf was a remarkable public servant whose efforts on behalf of average citizens was legendary and an inspiration.

Steve Solarz, who knew her for many years, memorialized Sylvia, and I commend his moving eulogy to my colleagues' attention.

SYLVIA WURF: A GREAT LADY

Sylvia Wurf was an extraordinary woman—brilliant, tenacious, caring—but also ornary, cantankerous, exasperating.

She was a memorable person who, in a triumph of will and determination, not only fulfilled her potential as a human being, but made a difference in the lives of thousands of people who turned to her for assistance.

She may well have been the best Congressional case worker in the history of the Republic.

As I thought of Sylvia these last few days, I recalled the colloquy of Hotspur and Glendower in Shakespeare's Henry IV, when Hotspur says, ''I can summon spirits from the vast and murky deep'', and Glendower replies, ''Why so can I. So can any man, but will they come when you dost call them?''

In Sylvia's case, the answer was, ''yes''. She could summon spirits, and they did come when she called them.

I used to say, ''If I were ever in some remote part of the world and were kidnapped and thrown into a dungeon of slime, and I were given the chance to make one phone call, it would be to Sylvia. Where others would throw up their hands in despair, she would get on the phone and go to work.

Woe to the feckless bureaucrat whom Sylvia nagged until she got what she wanted. Pity the poor Ambassadors whom she awoke at 3:00 a.m. (their time) to assist someone with a visa problem. Weep for the Fortune 500 CEO, like the President of AT&T, whom she routed in his idyllic country home one summer Sunday to get an unlisted phone number.

The flip side of the coin was that she could be impossible, even insulting, not just to government bureaucrats, but even with constituents.

My favorite story about Sylvia was the one in which a constituent came up to see Sylvia, sat down at her desk, and said, ''I'm Mrs. Schwartz.'' Sylvia replied, ''I'm Mrs. Wurf.'' ''You're Mrs. Wurf'', the woman said, ''I'm so surprised. You sounded so much younger on the phone.'' Realizing immediately that she had made a mistake, Mrs. Schwartz said, ''Oh, what a stupid thing for me to say.'' ''Don't worry, Mrs. Schwartz'', said Sylvia. ''I deal with stupid people all day long. Why should you be any different?''