Code should not punish society's most basic institution; and of course, marriage is our society's most basic institution.

Let us eliminate the marriage tax penalty and let us eliminate the marriage tax penalty permanently so it is one of those things that we talk about that once used to exist, but it is history. Let us make the marriage tax penalty history by permanently eliminating the marriage tax penalty.

I am happy to yield back to the gentleman from Nebraska, and I want to thank the gentleman from Nebraska for his leadership in organizing tonight's discussion of the importance of eliminating the marriage tax penalty and what it means to real people like the Castillo family of Joliet, Illinois.

Mr. TERRY. Well, it is because of the opportunity that we have here in the House of Representatives, why I wanted to be here was to help families like them and the 58,000 like them in the Second Congressional District in Nebraska. Just think of the opportunities that those two children would have if they put the nearly $600 for each child in an educational savings account for college, what a wonderful opportunity that this body will give those families.

Mr. Speaker, I would like to give the gentleman from Georgia (Mr. KINGSTON) the last word, if he would close the discussion tonight.

Mr. KINGSTON. Mr. Speaker, let me thank the gentleman from Nebraska and the gentleman from Illinois and the gentleman from Arizona and the gentleman from Minnesota earlier tonight for their leadership on it. Because right now we could be home and in bed and watching the baseball game. Somewhere I am sure the Braves are out beating somebody. But the reality is, we are doing this because we care. I am a little bit senior to both of these gentlemen, and I have served in the minority; and I can tell my colleagues that it was no fun. Because when the Republicans were in the minority, we were always fighting more spending that the Democrat majority kept pushing on us. Here is an opportunity for all Members of Congress tomorrow to go in and vote for lower taxes, less spending, and more fairness for American couples.

So I certainly appreciate my colleagues for doing what they are doing and standing tall for America's families. I look forward to casting yet another vote with the gentleman from Illinois (Mr. WELLER). And I thank the gentleman from Nebraska (Mr. TERRY) for his leadership in organizing this tonight.

Mr. TERRY. Mr. Speaker, I thank the gentleman for participating and using his time when he could be watching the Braves. Tune in to the college world series this weekend, though.

DEMOCRAT MEDICARE PRESCRIPTION DRUG PROPOSAL

The SPEAKER pro tempore (Mr. KELLER). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I want to take this opportunity this evening, which I have done many times over the last couple of months, actually, to discuss the need for a Medicare prescription drug benefit. I am particularly happy to be here tonight because I know that tomorrow the Democrats in the House will be announcing our Medicare prescription drug proposal at a press conference at, I think, approximately 11 a.m. on the steps of the Capitol.

I know that for a number of weeks now I have been highly critical of the Republican leadership in the House, because even though they are the majority party, they have failed to address the concern, I think the number one concern of the American people, which is for a prescription drug plan under Medicare.

When I go home and I have a town meeting or I talk to my constituents, the issue that most frequently comes up is the fact that it is very difficult for all Americans, but particularly for seniors, to afford prescription drugs, to afford their prescription medicine. Prices have gone up by double-digit inflation over the last 6 years; and increasingly, most Americans, particularly seniors, find that they are not able to afford the drugs, the prescription drugs or medicine that their doctors prescribe that the doctors think are necessary for them to continue to live a quality life.

The House Republican leadership, I guess about 2 months ago, announced with much fanfare that they intended to bring up and write a bill that would provide for prescription drug coverage for seniors, and then they said that the bill would be available and would go to committee sometime before the Memorial Day recess and then be passed in the final week before the Memorial Day recess. Now, we know that did not happen. They came back from Memorial Day recess, about 2 weeks ago now, and again with much fanfare said that they were going to bring up the bill the first week, which would have been last week, and then we heard this week they were going to bring it up this week; and now we hear that they may bring it up next week and that they are definitely going to bring it up before the July recess.

Well, I have my doubts because I have been hearing this so many times. But more than the question of when they are going to bring it up is what they are going to bring up. Everything that we hear about the House Republican proposal is that it is not a proposal that will actually provide coverage for most seniors under Medicare.

I think that most of my colleagues know that Medicare has been in existence now for over 30 years; and Medicare, which is a government program, run by the Federal Government and financed by the Federal Government, is a very successful program that provides seniors with their hospitalization and with their doctor bills. Under part B of Medicare, a senior has the option, and 99 percent of seniors exercise it, of paying a fairly low premium every month; and as a result of paying that premium, they get 80 percent of the cost of their doctor bills paid for by Medicare, by the Federal Government. They have a very low deductible, $100 a year; and basically, the program has been tremendously successful. Most seniors participate in it. Their doctor bills are paid 80 percent by the Federal Government, up to a certain amount; and we hear very few complaints. Most people seem to be satisfied with the Medicare program in terms of the coverage for hospitalization and for their doctor bills. However, Medicare does not have a benefit for prescription drugs.

What the Democrats have been saying is very simple: that we should have a guaranteed benefit under Medicare for all seniors, all those who are eligible for Medicare. It is not hard to comprehend. We set up a new part, maybe call it part D, we model it after the part B program that pays for doctor bills. We again have a very low premium, say $25 a month, a very low deductible, $100 a year; we have 80 percent of the cost paid for by the Federal Government, a 20 percent copay and, after a certain level, we suggest $2,000, after you have paid out of pocket or your bills have come to more than $2,000, the Federal Government would pay for everything at a sort of catastrophic level at which the Federal Government pays for everything under Medicare.

Well, the Democrats are saying that is what we should do. We will be talking about it in a lot more detail tomorrow at the press conference. Most important, we address the issue of price. We understand very strongly that we can expand Medicare to include prescription drugs and provide a guaranteed benefit for every senior and everyone eligible for Medicare, but that it would be difficult to do that if we do not control the costs in some way.

When I talk to seniors or any American, any of my constituents, they talk about how the price of prescription drugs is too costly. So we have to do something at the Federal level to bring the cost down. The easy way to do that, and this is what the Democrats will propose, is to say that the Secretary of Health and Human Services has the obligation, has the mandate to negotiate prices for prescription drugs that would be significantly less than what most seniors are paying now, perhaps a reduction of as much as 30 percent or more. I think that is very possible to do, since the Secretary will have 30 or 40 million seniors, Medicare beneficiaries, that he represents; and he has the ability to go out and basically force the drug companies to lower prices because of the bargaining power

that he would have with so many Americans, 30, 40 million American seniors.

This is all very simple. I have talked about it before. We will be unveiling it tomorrow, but there is really no magic to it. We have been talking about this proposal and how it is modeled after part B of Medicare which pays for your doctor bills. We have been talking about that for several months now here on the floor, myself and many of my colleagues. So there is no magic to what needs to be done. But we have absolutely no indication that the Republican leadership is willing to support anything like what I have just described.

First of all, it is abundantly clear that they do not want to provide a prescription drug benefit under Medicare. Oh, sure, they will say that it is a Medicare program because the people who will be eligible will be those same seniors who will be eligible for Medicare. But they are not putting the prescription drug program under Medicare in the sense that it is run by Medicare, part of the government program, and will guarantee a benefit.

What they are saying is that we will give some money, the Republican leadership is saying that we will give some money, almost like a voucher, to private insurance companies; and we will ask them to provide drug policies to cover seniors, and we will estimate by the amount of money that we are going to throw the private insurance companies what kind of coverage might be provided. But what the Republicans fail to point out, what the leadership in the House fails to point out is that there is no guarantee that a senior in a particular area or any area, for that matter, will be able to buy a drug-only policy that provides the kind of benefits that they would like it to provide.

The perfect example, the perfect example for this is what the Republicans did and how they continue to tout the Medicare+Choice, or the HMO program.

A few years ago, they decided that a great way to provide prescription drug coverage was to give some money to HMOs in the hope that they would agree to provide prescription drugs or to cover prescription drugs. But what we have found over the last few years in this HMO program is, first of all, that in many States, I think it is up to nine or 10 now, there is no HMO available. In another 15 or so States, there may be an HMO available, but they do not provide any drug coverage, and in those States that I mentioned, 10, 25, in those 25 States where you can find an HMO program that provides prescription drug coverage, you will not find that that HMO coverage is available in every part of the State; and you will find tremendous deficiencies, if I could say, in what kind of prescription drug program they cover, they provide.

Mr. Speaker, this is not something I am making up. There was a report that was put out by Families USA last month entitled ''Failing America'S Seniors: Private Health Plans Provide Inadequate Prescription Drug Coverage.'' Basically what this report says very dramatically is that if you simply rely on HMOs, or the private insurance market in this case, to provide insurance prescription drug coverage, you are going to have this very uneven situation. In a lot of States, there is not any HMO, and in other States they do not provide coverage for prescription drugs; and there is absolutely no question that we would get the same thing happening with the prescription drug program that the Republican leadership is talking about getting around to, if they ever get around to it over the next couple of weeks or the next couple of months.

□ 2230

In fact, the trade association for the health insurance companies has testified many times before committees in the House, the Committee on Commerce, the Committee on Ways and Means, that they do not want to provide this drug-only insurance, that they are not going to sell it.

So I am very fearful that what we have here is the Republican leadership basically propagating a scam. They know that the American people, particularly seniors, want a prescription drug program, and that they want a program similar to Medicare. They are very much aware of that. They are very much aware of the fact that prices are too high, and prices need to come down.

But rather than provide a prescription drug program under Medicare that guarantees benefits for every senior and every Medicare-eligible constituent that we have, they are going to opt for another effort to throw money towards private insurance companies that, just like the HMOs, will not work and will not guarantee a real benefit package to the average senior.

In addition to that, the Republican leadership refuses to address the cost issue, the pricing issue. They do not want to. In fact, there was something in Congress Daily today, which is a publication that is put out about what Congress does, that says that there is a push within the Republican leadership that when they bring up their prescription drug bill, that they will specifically say in language in the bill that there cannot be any price controls or any effort to control prices in any way as part of that prescription drug program.

So there is absolutely no doubt in my mind that they do not intend to address the price issue at all, and try to bring prices down. That is another thing that will doom their program, because if they do not address the pricing issue, they will never be able to provide enough money to pay for a real prescription drug benefit.

I see that a couple of my colleagues on the Democratic side have joined me this evening. They have been here before. I certainly would like to have them participate.

I am particularly pleased that my colleague, the gentleman from Arkansas (Mr. ROSS), is here tonight because he is a pharmacist, and he knows more about this issue than I do and probably any other Member of Congress.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I thank the gentleman for yielding to me. I am not a pharmacist, a lot of people make that mistake, and I thank the gentleman for the compliment. But my wife is a pharmacist, and together we own a small town family pharmacy in my hometown of Prescott, Arkansas, my hometown of 3,400 people. That is why I am so passionate about the need for a truly modernized Medicare to include medicine for our seniors.

Both sides of this aisle, Democrats and Republicans alike, have talked a lot about the need to provide our seniors with a prescription drug benefit, and yet we continue to see no action. This should not be a bipartisan issue. It is time for this Congress to unite behind the need to truly modernize Medicare to include medicine for our seniors, just as we have united in a bipartisan fashion on this war against terrorism.

This is especially an important issue for me because, as a small town family pharmacy owner, I have seen seniors before coming to Congress. Day in and day out in that small town family pharmacy, I would see seniors who literally had to choose between buying their medicine, buying their groceries, paying their utilities, and paying their rent. This is America, and we are talking about the greatest generation. I believe we can do better than that by our seniors.

If we think about it, health insurance companies are in the business of making a profit. Yet, they cover the cost of prescription drugs. Why? Because they know it holds down the cost of needless doctor visits, the cost of needless hospital stays, the cost of needless surgeries. I do not believe anyone in this Congress has fairly or adequately put a pen to the paper and determined the true amount of savings that we will realize by providing our seniors with a prescription drug benefit.

As I travel my district, and I have driven some 83,000 miles in my district listening to the needs of my constituents over the last 17 months, as I do that I hear story after story about senior after senior who is trying to get by on a $500 a month Social Security check, and yet faces a drug bill sometimes as high as $300 a month, sometimes as high as $400 a month, sometimes as much as $600, and yet, even $1,200 a month.

I have had a senior tell me about how her son, who is in his 40s or 50s, has a drug benefit through his employer or health insurance to work, and they happen to take the same medicine, and he thinks he is healthier than his mom so he gets the medicine and gives it to her, which is going to cause him to have health problems.

There are estimates that as much as $170 billion is wasted every year in our health care delivery system because people simply cannot afford to take their medicine, or cannot afford to take it properly.

I was recently in a small town, Glenwood, Arkansas, in Pike County, and ran across a retired pharmacist, probably in her 80s. She just happened to have been a relief pharmacist at the pharmacy my parents used when I was a small child growing up in Prescott, Arkansas.

She told me something that really stuck with me. She said, you know, back as recent as the 1970s I would fill a prescription, and if it cost in excess of $5, I would go ahead and fill the next person's prescription while I tried to get enough confidence built up to walk out there and let the patient know that it was going to cost $5. Now to see prescriptions that cost $100 is not uncommon.

The bottom line is this: Today's Medicare was designed for yesterday's medical care. Today's Medicare was designed for yesterday's medical care.

There has been a lot of debate and a lot of talk about how we do this, how we provide a meaningful prescription drug benefit to our seniors. The Republicans first offered a plan that simply provided a discount card, like it was some kind of new concept. Prescription discount cards have been around forever. Watch any cable TV channel late at night and you will see them advertised for $7.95 a month. My dad got one in the mail a few months ago for free. Why is that? Because the prescription benefit managers, which play a huge role in the Republican plan, do what? They make huge profits off the rebates, profits that exceed those that are made by the hometown family pharmacy. That is why they give us these cards for free, because they get rebates on the preferred drugs that are included.

Where the discounts come from, they do not cost the big drug manufacturers a single dime. Studies show that the savings range from 50 cents to $3. If a senior who faces a $500 a month prescription drug bill is taking six medications a month, let us say they can save $3 per prescription, that is a total savings of $18 a month, $18 savings on a $500 drug bill. That does not help our seniors choose between buying their medicine, buying their groceries, paying their light bill, and paying their rent.

Thank God that when we created Medicare, we did not say, here is a discount card, go cut a deal for your surgery. Here is a discount card, go cut a deal at the doctor's office. We provided a meaningful benefit under Medicare. We provided meaningful health insurance for our seniors. It is time that we do the right thing by all seniors by providing a voluntary but a guaranteed prescription drug benefit that is just like going to the doctor or just like going to the hospital.

The big drug manufacturers, they are not going to like the Democratic prescription drug plan. Why? Because we have the courage to take on the big drug manufacturers.

Some studies show that $360 million was spent by the big drug manufacturers in the year 2000 on political donations, lobbying, and advertising. In fact, some drug manufacturers as recently as last year spent more money on TV ads marketing their products than they did on research and development.

The ads that come on TV and look real fancy, and they try to tell us which drug we need to tell our doctor we need, have Members ever thought about that? It is time that we held the big drug manufacturers accountable. It is time we stood up to them and said, enough is enough. If governments, small governments like Canada and Mexico, can stand up to the big drug manufacturers and demand lower prices, why cannot we?

It is time we developed a plan that takes on the big drug manufacturers. Why? Because 83 cents out of every dollar that we spend on a prescription drug is 83 cents that is a result of the cost of the big drug manufacturer. Seventeen cents out of every dollar that we pay for a prescription drug is the cost that it takes for the hometown family pharmacy to do business: to fill that prescription, to buy liability insurance, to pay their utilities, and yes, oftentimes to deliver that medicine to the front door, because the patient is a senior who can no longer get out, a senior who can no longer travel, a senior who lives in a town like Prescott, Arkansas, where I am from, where we do not have mass transit.

This is a very important issue. It is important to our seniors, and it ought to be important to every one of us, because some day all of us will be on Medicare, and we, too, will want to have a meaningful prescription drug benefit.

This is a very, very important issue to our seniors. I hope it is an important issue to all of us. I look forward to continuing to discuss the need to truly modernize Medicare to include medicine for our seniors as this debate continues.

If another day passes without our seniors getting a prescription drug benefit, that is one day too many.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from Arkansas. I know he said he is not a pharmacist, but because he owns a pharmacy and because he deals with the public on a regular basis, he knows about the preventive nature of prescription drugs.

I always like to bring that up, and I am pleased that the gentleman did, because we always, or I tend to forget, and I think a lot of my colleagues tend to forget that because prescription drugs really are preventive in nature, they actually save a lot of money.

In all these calculations that we have to deal with in trying to figure out how much a prescription drug plan would cost, nobody ever calculates the fact that concerning some of the people the gentleman mentioned who cannot get prescription drugs now because they cannot afford it, we would prevent them from going to a hospital, we would prevent them from having to go to any kind of institution, and that saves the Federal Government a lot of money.

Obviously, if the Federal Government has to pay $100 or $200 for a drug, but if that means somebody does not incur a $10,000 or $20,000 hospital bill, that is a savings to the Federal Government because Medicare is paying for that hospitalization. Instead of that, they pay for a couple hundred dollars for a prescription drug.

I think it is important, because we, a lot of times, forget about how preventive measures, whether it is home health care or prescription drugs or whatever, nutrition, these things save the government money. That has to be factored in in terms of what we do.

Mr. ROSS. Mr. Speaker, if the gentleman will continue to yield, I would just tell the gentleman that I think this is a good example of why we need an overhaul in Medicare, why today's Medicare is designed for yesterday's medical care.

There are very few drugs, few drugs that Medicare pays for. One is when one has a kidney transplant. They will pay for drugs that keeps one from rejecting that kidney for up to 3 years. Here is what Medicare says today. They say, if you go to the doctor because you are ill, they will pay for it. If that doctor determines that you are ill because you need a new kidney, they will pay for the transplant and the hospital stay. Then they say they will pay for the medicine up to 36 months, 3 years, to keep you from rejecting that kidney.

In month 37, do Members know what Medicare says? Under today's rules and regulations, they say, I'm sorry if you cannot afford the medicine, which can cost more than $500 a month to keep one from rejecting that kidney, we are sorry but we cannot pay for that anymore. But here is what can be done: Let your body reject that kidney, and we will pay for you to go back to the doctor, we will pay for you to go back to the hospital, we will pay for you to have another surgery, we will pay for you to have another kidney transplant, and then we will cover the medicine for another 3 years, another 36 months.

Again, that is just one example of how Medicare today does not make sense. Again, today's Medicare is designed for yesterday's medical care.

Mr. PALLONE. The point is that we may find that when we do, and hopefully certainly if the Democrats have their choice in the matter, we will have prescription drugs under Medicare, and we probably will find that there is a tremendous savings to Medicare on the hospital side and on the doctor side, and to the Federal Government because of a prescription drug benefit. I have no doubt about it.

Mr. ROSS. If the gentleman will yield further, I will tell him that as a small town family pharmacy owner, I cannot tell him the countless stories, and I can put faces to these stories and names to these stories but patient confidentiality prevents me from doing that, thank goodness, but I can tell the gentleman, faces stick in my mind of seniors who cannot afford their medicine.

I live in a small town of 3,400 people. Before coming to Congress, when I was actively involved in the management of our small town family pharmacy, I would see seniors who could not afford their medicine. They would leave the pharmacy without it, and a week or 10 days later we would learn, because it is a small town, that they were 16 miles down the road in Hope, Arkansas in the hospital running up a $10,000 or $20,000 hospital Medicare bill that could have been avoidable, could have been avoided had they simply been able to afford their medicine or been able to afford to take it properly.

Diabetics, I have seen diabetics that lose legs needlessly simply because they could not afford their medicine. Do Members know what it costs to amputate a leg? Do Members know the drain that has on the Medicare system and on a senior who no longer has a leg simply because they could not afford their medicine, or kidney dialysis?

□ 2245

Medicare pays for kidney dialysis. If you cannot afford the medicine, Medicare says that is okay. We will pay for kidney dialysis. As much as a quarter of a million dollars Medicare will pay out. But no, they will not pay for the $40 or $50 or $60 prescription that the senior needed to avoid that horrible, horrible experience that in many cases eventually had a great role to play in their eventual death.

Mr. PALLONE. The other thing you have mentioned too, because we are now talking about the cost issue, is how the Republicans, the only thing that we are hearing from President Bush and the Republican leadership is the drug discount card, which obviously is already available and if there is a discount, you can take advantage of it now. There is certainly nothing that the Federal Government is going to do or promote that will make a difference.

I maintain that the way we save money is through prevention. If we do not bring costs down for medicine, it would make it a lot more difficult for a prescription drug program on the Federal level to work. And that is why the Democrats are saying not only do we want this prescription drug program to be part of Medicare, but we want the Secretary, in this case, of Health and Human Services to have the power and mandate to go out and negotiate lower drug prices.

I was just amazed to read, I mentioned before, I am actually going to read this from Congress Daily today, which as I say to my colleagues we all know what it is, but it is a publication that is put out about what Congress is doing. It says, In a briefing document prepared by staff members of the Republican Study Committee, which is a House Republican research group, suggests that Republican members would like provisions to prohibit drug price controls, cap general fund contributions to Medicare at 40 percent of the total, and require means testing for the drug benefit to be considered for inclusion in the drug bill.

Now, I do not want to get into all of those, but the point is the fact that they would actually try to build something into the legislation that says they cannot deal with price is incredible to me because, again, if we are going to have this be a meaningful benefit under Medicare, there has to be some effort to bring down the prices. I will say we will specifically say what the price is and control the price, but we want the Secretary to have the ability to negotiate a good price.

The gentleman knows how that works, being in the pharmacy business and how HMOs and the VA and other systems that have a lot of seniors that they negotiate for have the ability to bring down the costs. So it makes sense to do that and not suggest that we pass legislation that would prohibit it.

Mr. Speaker, I yield to the gentleman.

Mr. ROSS. Mr. Speaker, I wrote a bill. It is H.R. 3626. It is a bill that will truly modernize Medicare to include medicine for our seniors. In that bill we hold the big drug manufacturers accountable. In that bill we demand the same kind of rebates from the big drug manufacturers that State Medicaid programs, that the Veterans Administration and that big HMOs have been demanding for years. And we do that because it is time that we held the big drug manufacturers accountable, and we can do that in a way that State Medicaid programs do it, a way that most privately held health insurance companies do it, the way most big HMOs do it, by demanding the same kind of rebates that they receive to help offset the cost for a meaningful drug benefit for our seniors.

Let me say this. Those who know me know I am a Democrat, I am a conservative Democrat, and I probably cross party lines and vote with the Republicans just about as much as anybody on the Democratic side. And when they are right, I stand with them. But I can tell you, I am a small-town family pharmacy owner. I understand this issue, and they are dead wrong with this issue. First, they come up with this crazy idea of a prescription discount drug card. Again, they have been around forever. Seniors have paid for them. They have gone to their pharmacy. They have learned there is no meaningful savings to a so-called prescription drug card. And thank God when we created Medicare, we did not say, here is a discount card to go to the doctor and go to the hospital with.

Now apparently they will come with a program where they will cover this much of your drug bill if you make this much money. And they will cover this much of your drug bill if you make this much money. And it is so complicated that every senior is going to need to hire a CPA to figure out what their income is that month to figure out what benefit they qualify for.

This does not have to be complicated. A Medicare benefit that allows you to go to the doctor and that allows you to go to the hospital is not complicated. Everyone understands it. And it benefits those seniors who need it.

Mr. PALLONE. Mr. Speaker, the other thing the gentleman said which I thought was very significant is we know that the prescription drug manufacturers spend all this money on advertising trying to promote their brand-name drugs, and it is amazing to me what goes on and why it contributes to the escalating prices of drugs.

Obviously, they spend a lot of money on advertising. That causes prices to escalate. Then they try to make sure that people only buy the brand name which costs more and try to exclude or discourage the use of generics, which is one way to bring costs down. And then they come to Congress and use their lobbying power by financing campaigns and trying to get these patent extensions. The patent expires at the end of so many years and they get an extension for another 3 years or another 5 years, which makes it impossible to bring up the generic drug or use of a generic alternative.

They are constantly exercising their political clout, if you will, and advertising and then they get tax breaks for advertising as well. And all of this drives up the cost. And the worst of it that we have had in the last month or so is this drug industry-funded media campaign to promote the Republican prescription drug plan. If I could give you a little flavor of it here, because I am reading a press document that says that the drug industry is funding this front group called the United Seniors Association to launch a multi-million dollar advertising campaign to promote the Republican Party's prescription drug proposal.

The whole point of this thing is to try to confuse the public and try to act like what the Republicans are proposing is Medicare, it is a guaranteed benefit and it will bring down costs. They are spending something like 3, 4, $5 million to try to make that point when it is not true.

I do not know how much longer the public can take it, the constant advertising for name-brand drugs, the constant effort to try to prevent generics to come to market, and, now, the effort to promote and spend money to say how the Republican bill is a good alternative. We have to get up here every night and as much as we can expose all of this.

Mr. Speaker, I just want to thank my colleague, the gentleman from Arkansas (Mr. ROSS), for coming down and making the point. Because since he is in the business, or at least he was, or still is with his wife, he has an understanding of what we face. So I thank the gentleman again.

Mr. Speaker, my other colleague is here, the gentlewoman from Texas (Ms. JACKSON-LEE), who is also a part of our health care task force who has been here many times to point out the need for a prescription drug program and Medicare prescription drug program. I yield to the gentlewoman at this time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman.

Mr. Speaker, I was listening to my colleague and friend from Arkansas (Mr. ROSS) and my friend and leader on this issue from New Jersey (Mr. PALLONE). Let me say to my good friend from Arkansas (Mr. ROSS), I am from the fourth largest city in the Nation and when it comes to the crisis in prescription drug benefits, take a rural area with 3,400 people and no mass transit and take an urban center, and that is the nature of the crisis, and that is what it is all over this country.

What I would like to say to my friend as well, I am a supporter of family pharmacies and family pharmacists because we have a few in our community and I thank the gentleman very much. I had the opportunity to visit with a number of pharmacists who have come up to try and discuss various issues, and I say pharmacists who open these local family pharmacies, and they have been very sensitive to the plight of our seniors to the extent that I know. And I know that my good friend, the gentleman from Arkansas (Mr. ROSS), has probably yielded a little to some of the seniors who have come into his store and probably had their request or their prescription drugs on credit for a while so that they could manage to keep their health where they did not find themselves in hospitals. So my hat is off to the gentleman and off to the family pharmacies around the Nation.

I want people to know that this is not an issue of your family drug store or your neighborhood drug store where you go into the pharmacists who try to do the best they can with the prescription that the senior has. It is a national crisis that we have, and that is why I thought it was important that we again raise our voices and speak to this question of why we have not been able to make headway on this.

I wanted to refresh our memory and I am also reminded of the idea of changing Medicare for these times. Let me say that whenever Medicare is discussed, we do not make friends. I believe in 1965, whatever the time frame when Medicare first was established under President Johnson, there were a lot of people in the health care industry, good friends of ours, of course, that is senior to me, but in any event, individuals in the medical profession that thought that Medicare was not going to work; it was going to collapse the system. How in the world are you going to have a government system to pay physicians? There was a great fear and debate about Medicare.

Now we find out that Medicare has extended the lives of seniors. And when it works right for the purpose our physicians, it is a system that provides better health care and the opportunity for our physicians to treat the elderly in a way that gives them a longer life.

Now we talk about reforming Medicare in a way that is long overdue, and I want to refresh my colleagues' memory, if we could, and refer back to the State of the Union in 1999. Now we have been talking about this for a very long time, but usually when things get elevated to the level of the State of the Union, then the Congress takes its lead, begins to formulate policies in a bipartisan manner. And it was in January 1999 when President Clinton announced an initiative to create a Medicare prescription drug benefit in his State of the Union.

This was declaring to the Nation that this was not only a crisis, but it was utmost important. When he delivered his State of the Union address in 1999, he laid out that one of the key goals of the year was creating an affordable prescription drug benefit under the Medicare program.

Mr. Speaker, I would say to my friend, the gentleman from New Jersey (Mr. PALLONE), we had the opportunity. We had the President. We had two Houses of Congress that should have seen the crisis and the writing on the wall. The gentleman asks the question why? We had legislation, as I recall. I remember we had a partnership with some legislation that was bipartisan as I recall, and that the Democrats and Republicans, at least Members who were on this particular legislative initiative, were prepared to move forward in the Committee on Energy and Commerce. And all of the sudden because of what I shamefully have to admit, that the devil was in the details, we began seeing certain industries feel that their particular stake in this was going to be diminished.

What that did to me and if I may selfishly say is have me day after day go back to my district and day after day be asked by my seniors, I thought you were going to pass that Medicare prescription drug benefit. I had town hall meetings. I had national figures in my district. I was speaking to seniors. I was hearing their stories of sadness, plights of individuals, two couples. When I say two couples, a husband and wife, struggling to pay both his drug prescriptions that he needed and hers, two seniors living together, living longer because of Medicare.

So the frightening thing about this is we are now in 2002. I have said this before on the floor of the House, we are spending $1 billion a day in the war against terrorism which all of us have united behind the President on that. We had a $5.6 trillion surplus just a year ago and tragically we were hit on September 11. And because we did not have restraint in the administration and proceeded with an enormous tax cut, we have a crisis. But in that crisis, let me say, that I am willing not only to confront the crisis but to take a risk.

□ 2300

Let me show my colleague that the American public is prepared to take a risk.

A question was raised in a survey, Medicare does not currently pay for prescription drugs and do you think the Federal Government should expand Medicare to pay for part of the drug costs? The survey showed, as my colleague will see, 67 percent of those surveyed believe that we should do that. They are asking the Federal Government to act. Only 6 percent said Medicare should not pay for drugs and only 26 percent of our seniors believe it should be a private system.

When they asked would you support or oppose rolling back the tax cut, this is the debate we had here today about this two-thirds super majority on raising taxes, and I will tell anyone I have not announced any position on raising taxes.

What I have suggested and what we have suggested, what colleagues in the Democratic Caucus have suggested is a rollback or a moratorium but a recognition that we cannot pay these taxes that give this high percentage of tax cuts to just 1 percent of the American public, but we find here in a survey just recently, March 28 to May 1, 2002, when we asked the American public would you support or oppose rolling back the tax cut that Congress passed last year and using that money to provide a prescription drug benefit under Medicare for seniors, a whopping 64 percent of the American public that are in this survey have indicated that they are willing to do that.

Why are they willing to do that? Because they realize that we are coming to a point of no return. We have Medicare that extends the life or has extended the life of our senior population, but we are cutting it off at the door because to extend the life through access to health care, then the prescriptions that have been prescribed must be utilized. We are talking about seniors who have up to 18 drugs that they have to take on average and, therefore, are in need of these resources.

Let me just share with my good friend and colleague why I have a problem with what the Republicans are proposing, and I am very glad that the gentleman is yielding.

Mr. PALLONE. Mr. Speaker, if I could just interrupt, I wanted my colleague to reiterate that point again about how many different drugs the average senior takes in the course of the year. I think a lot of the people, particularly younger people, have no idea

how things have developed, as my colleague said, over the last 20 or 30 years since Medicare started out.

Probably when Medicare started out in the 1960s, it would probably be unusual for a senior to be taking any kind of prescription drug, but now the gentlewoman said the average is 18 different?

Ms. JACKSON-LEE of Texas. Mr. Speaker, 18 different kinds of drugs, and we have heard that through the research of some of our colleagues in the other body, and as well I am going to bring our attention to this legislation about Canada and the reason why that is even being proposed. But out of doing a survey in various communities, yes, that was determined that there are multiple prescription drugs for multiple ailments. The senior is functioning. That same senior is at the neighborhood community center on Monday through Friday, but they need that amount of drugs.

Mr. PALLONE. If I could just reclaim the time, I know that statistic is accurate. I have seen it many times, but I think a lot of times people do not realize, because of the fact that so much research has been done and all these miracle drugs have been created, and it is all great, it is true now that seniors are taking that many drugs, and that is why the costs are so high. Even 5 years ago, the costs were not as high as they are now, and that is why this is such a crisis.

I did not mean to interrupt, but I think that statistic is interesting because I am not sure a lot of younger people realize that.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think that is extremely important. The gentleman from New Jersey is right in emphasizing that point. My colleague made a point earlier that he may want to elaborate on, and my good friend from Arkansas. I am concerned. It is also reputation, or they attempt to stigmatize Democrats, and I am glad that the gentleman from Arkansas did indicate that we have had support across the aisle and, in fact, we are encouraging bipartisan support on a fair Medicare prescription drug benefit.

This door is not closed to anyone who agrees with our position, but I take issue with being stigmatized as being opposed to business. In fact, let me compliment some of the pharmaceutical companies who worked with us on this issue of HIV/AIDS in Africa and have done some enormous work on this question. Certainly there have been some challenges on costs of drugs even there, but I will give credit where credit is due.

I am aghast that anyone would say that there is a crisis in the profit margin of these pharmaceutical companies, and I welcome, I know the gentleman sits on the Committee on Energy and Commerce, any hearings that could be held to say that there is a crisis in profit, and therefore they cannot come to an agreement on a prescription drug benefit of which the Democrats are proposing a voluntary effort because, as I understand it, as I heard the gentleman speak before, a lot of the research is funded by the FDA initially and covers the research that the pharmaceutical companies are doing.

Mr. PALLONE. Mr. Speaker, I wanted to point out there is no crisis in terms of the profit the prescription drug industry is making. The gentlewoman knows my home State of New Jersey is the headquarters for many of these, of the major drug companies, and let me tell my colleague, they are doing very well. Their stocks have been doing well, even in the last couple of years where the stock market has not been generally doing that well.

I, for the life of me, cannot understand why they do not see a financial benefit in a Medicare prescription drug program because, if we think about it, we have all seniors, millions of seniors that are not covered, not buying prescription drugs. If we add the entire senior population, if the entire senior population, most of which does not have a meaningful drug insurance program now, it is now included under Medicare, we have to be talking about an additional maybe 20 million Americans who would now be eligible and have most of their drugs paid for by the Federal Government. How is it that these drug companies would not benefit from that?

I think it is the fear of the unknown. In other words, they are doing well now. Their stocks are doing well. Their CEOs are making a lot of money, and they just figure, well, things are pretty good, so let us not change it. But I think once this program is put into place the way the Democrats have proposed, I seriously doubt that there is any way that they are not going to make more money because they are going to be selling more prescription medicine. I think it is just the fear of the unknown and the realization that maybe things are going to change, we are not going to benefit in some way, but the notion that their profits are going to be diminished by expanding Medicare, to me, is nonsense.

I yield back to the gentlewoman.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am glad the gentleman clarified my confusion, and might I emphasize again, that is why I take issue with any suggestion that Democrats are against business and have not been supportive. That is my analysis, and I am quite surprised at the representations and the fear that has been put forward by our good friends in the pharmaceutical industry to the extent of this major advertising campaign.

First of all, do they understand that our Republican friends are putting forward a bill that has a huge hole? Because it fails to cover seniors that have costs between $2,000 and $5,600. Now, most of us would think that is a lot of money to spend on drugs during the year, that is, low income seniors, and if we leave that large gaping hole, how are my colleagues going to respond to the issue? Those seniors are still going to physicians. Those physicians are still prescribing drugs and they still need to pay for them.

Why not cover them? They are 100 percent on the hook under the Republican plan for drug costs in that window. That is a lot of our constituents. It could be large cities. It could be rural areas. It could be suburban areas. A lot of seniors are living on a fixed income. A lot of them have drug costs and cannot afford that amount.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I think the gentlewoman is pointing out a very important point. I have not stressed it so much because I know that the Republican plan does not have any kind of guaranteed benefit.

In the other words, what the gentlewoman is basically referencing is when the Republicans put out their proposal, they suggest that I think for the first $1,000 they will pay 70 percent of the costs for the next thousand. Up to $2,000, they will pay 50 percent of the costs, and then from $2,000 to $4,500, they will pay none of the costs, but the reason I think that that proposal is absurd, as my colleague pointed out, is, and why they do not have any hesitancy of talking about it that way is because it really is not any benefit.

In other words, what they have done essentially, from the way I understand it, they have said we are going to throw a certain amount of money out for these drug-only insurance policies, and in order to fit that in for what we would like to see for a benefit, we will structure it this way, and they have structured it with that hole because there is not enough money to pay for a real benefit that would be meaningful.

The problem is that since this is just being thrown out to the private insurance sector, we do not even know what these drug-only policies will provide, and they are probably not even going to be available in large parts of the country. So I think the reason they do not have any problem suggesting what my colleague suggests is actually absurd is because they do not really have a guaranteed benefit at all. So they create this hole in order to fit it in with their budget, what they think they are going to throw out there in terms of the total amount.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think the gentleman has articulated it extremely well. That is why I wanted to make sure that my chart was clear, that the consensus of the American people would be, one, they recognize this would be expensive. I do not think that we should hide from that concept, but we need to frame what we are saying.

What we are suggesting is that the investment is well worth the honest cost and that is to ensure that the average senior, which is obvious the average senior could not pay $1,000 because we might say that that would be easy to almost come up with.

□ 2310

But they are usually in this ballpark. Certainly over 2,000 would be left with 100 percent of the bill. The question is whether we make the calculated, intelligent judgment to invest in this kind of plan that Democrats are offering that in fact puts a minimum of a $25-a-month premium, I know things are sort of meshing and forming, but has a deductible, has a co-insurance, but responds to those low-income seniors and others. That is what we are suggesting, voluntary and universal.

This way we are not precluding, we are not indicting anyone, or segmenting one economic group versus another. What we are suggesting is that gaping hole between $2,000 and $5,600, we would be doing nothing if we did not pass legislation that respond to that.

Mr. PALLONE. Mr. Speaker, reclaiming my time, the Democratic proposal, which is like part B, which is the part of Medicare that pays for the doctors' bills, there is a premium, low deductible, and 80 percent of your doctors' bills are paid for under part B, and almost everyone signs up for it because it is a good deal.

We are suggesting we do the same thing with prescription drugs. What I think is important, particularly for poorer people or people who do not have the money to pay for the premium, just like under part B for your doctors' bills, if you are below a certain income, we pay for that premium. If you are a little above that, we pay for part of the premium. We would be doing the same thing under the Democratic proposal for prescription drugs. That $25 premium that you would pay per month for the prescription drug benefit under Medicare, would be totally paid for by the Federal Government if you are below a certain income; and if you are just above that, it would be partially paid for by the Federal Government. So no one would not be able to get the Medicare benefit because they could not afford the premium.

Ms. JACKSON-LEE of Texas. Mr. Speaker, that is an excellent point. As well, I think it is important to note, and again this is not a time to speak to the condemnation of any HMOs or plans, but you will not have to be in an HMO, as I understand it, to receive this coverage. I think that is a key element as well.

As I close, let me also say to the gentleman, and I started out by saying this is a crisis, and I just wanted to note that some of our good friends are recognizing this, have proposed legislation to deal with the importation of drugs from Canada. This is not a commentary, but this suggests to the American public that this is serious, that we have been without any redress and without any ability to address this crisis. We have had to go to the point of seeking an opportunity for seniors to get drugs in Canada.

I just ask the question to the gentleman, can we not do better? I applaud this legislative initiative. I applaud it and support it because I need help for my seniors. But cannot America and this Congress turn its attention to what seniors are facing across the land? This is not a New Jersey problem or Minnesota or Michigan problem. It is across the land.

I have been saddened by having to meet with seniors time after time and have them raise their hand for a question asking about the prescription drug benefit, as if I am coming home without what I promised. I cannot imagine that we can go any further without doing this, and recognizing we have a valid plan and we have a crisis. We have the evidence that our country is willing to address this by sacrificing a tax cut and providing a prescription drug benefit.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman for her points. The gentlewoman's last point spoke about the fact that many seniors are forced, particularly if they are in the border States, to go to Canada where they can find the lower drug prices. That should not be the answer. I agree with the gentlewoman 100 percent, but it makes me point to one other thing which we have not really stressed that much tonight but needs to be stressed, and that is as Democrats we want a prescription drug plan.

We are going to lay that plan out tomorrow at a press conference at 11 on the steps of the Capitol, but the issue of prices for drugs is not just something that seniors face. All Americans face it. This prescription drug plan under Medicare will solve the problem for seniors, but the pricing issue is still a problem for everyone else.

We need to look at that as well. We need to, if the option is for some people because they are close to the border to be able to go to Canada and buy cheaper drugs, let them do it. We need to plug up these patent extensions. We should not allow companies with brand names to get patent extensions just because they have some money that they are throwing around this place because that prevents generics which are a low-cost competitor to these brand-name products from coming to market.

I think we should also plug up this advertising loophole where they get these tax breaks for the advertising that they do. I can understand a tax break for research, but why a tax break to advertise brand-name drugs? There are a lot of things that need to be done in a larger sense that do not just relate to seniors to try to bring drug prices down, because this is a crisis for every American, but particularly for seniors who are so dependent on some of the drugs and the cost for them is so prohibitive.

But it is a problem in general. The Republican leadership does not even want to address the price issue in the context of Medicare, let alone if we talk about it in the larger context of all Americans. We need to bring prices down for everyone.

Ms. JACKSON-LEE of Texas. Mr. Speaker, just quickly, one of the comments made in this evening's discussion is we need an overhaul of Medicare with the various health components that are part of the Medicare system brought to the table.

I actually believe points made by the gentleman from New Jersey (Mr. PALLONE) could be discussed and resolved in a meaningful, coming together in discussion, not in an adversarial, way. I would hope that the major entities, hospitals, pharmaceutical companies, the medical profession, we need some reform with nursing. Why do we not bill nursing services? We have a nursing shortage, hospitals cannot pay nurses, nurses are not getting compensated, and that is a suggestion that we bill nurses as we bill physicians. And my point is, if we do not do this in anger or anguish, pricing questions need to be resolved. We might be better for it if we begin to look at ways that we can even out the cost. If we get to the point that the cost is so insurmountable that hospitals close, nurses are not available, pharmaceutical companies are not making money because the enterprises are not in business any more, I think that is common sense.

Mr. PALLONE. Mr. Speaker, I will just say one more time as Democrats, we are determined first to address the issue of drug prices; and, secondly, to provide a Medicare benefit, a guaranteed Medicare benefit for all seniors. We are going to be unveiling our Medicare prescription drug proposal tomorrow. I know it is a good one. I hope that the Republicans will seriously take a look at it and not go down this privatization plan that they have been talking about.

INTEGRITY AND HONESTY IN THE CORPORATE WORLD

The SPEAKER pro tempore (Mr. KELLER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for half the time remaining until midnight, or approximately 20 minutes.

Mr. HOEKSTRA. Mr. Speaker, last night I came to the floor, and I talked about an issue that I have a passion for. It is about integrity and honesty in the corporate and business world.

□ 2320

I talked a little bit about some of the revelations that have gone on in the last few months, really beginning with the scandal at Enron, Arthur Andersen and those types of things. And I want to talk a little bit more about that tonight because the stories in the papers today just keep building on this issue.

Today, USA Today: ''Stock Markets Sink to New Lows for 02.'' The bottom line is that this lack of integrity and this breaking of the public trust by corporate business and business leaders has had a real and a dramatic impact