Because of the looming tidal wave of baby boomers that will age into the need for LTC services, I have been introducing LTC insurance premium deductibility legislation for over four years. My previous bills have also included a tax credit to offset the costs of caregiving for families that provide LTC assistance for a family member.

HIAA and the AARP have been strong supporters of that legislation. They have educated Members and 205 of you have co-sponsored that bill. While I will continue to fight for passage of a deduction that is not limited to lower income, and for a full credit for caregiver expenses, I support H.R. 4645 tonight because it is a first step toward that goal. In addition, it will put in place the consumer protections we need in the LTC insurance market, and these protections will be available to all purchasers of LTC insurance who access one of the other tax code incentives that incorporate the definition of ''qualified LTC insurance policy''.

This bill will encourage personal responsibility for private financing of LTC expenses and support the development of the LTC insurance market.

CONFERENCE REPORT ON H.R. 3763, SARBANES-OXLEY ACT OF 2002

SPEECH OF

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 2002

Mr. MARKEY. Mr. Speaker, I rise in support of the conference report on the corporate accountability bill. Make no mistake about it, Mr. Speaker: This conference report is the result of investors' refusal to be fooled by empty speeches, photo-ops and weak proposals that failed to go far enough to fix the crisis of confidence in the marketplace.

Mark Twain used to say, ''A cat, once burned, won't get on a hot stove again. But it won't get on a cold stove either.''

Despite intense lobbying efforts to weaken the Sarbanes bill passed unanimously by the Senate, investors recognized that only tough new reforms would fix the problems plaguing corporate America. The average investor thinks the financial market is rigged, so trust is hard to come by. Trust is to the economy is what oil is to a machine—without it, it will break down.

This conference report contains tough provisions that were omitted from the timid bill that the House passed earlier this year. The conference report contains:

A strong structural separation, a bona fide Chinese Wall, between stock analysts and investment bankers, so that investors can have confidence in the recommendations they receive.

A strong independent oversight board for the accounting industry. Corporate auditors will no longer be policing themselves, but instead will be subject to an independent accounting oversight board.

Bans on accounting firms offering a menu of non-audit services to their audit clients. The big accounting firms will not have an incentive to look the other way at shady accounting just to preserve their consulting contracts. The accountants, for too long, have been able to be the referees and the players in their game of finance. This leads to conflicts of interest that prevent a level playing field for market participants.

Mr. Speaker, while this conference report is an important step forward, it is shameful that a strong accounting reform bill was fought tooth and nail by the industry and its friends in Congress.

During this struggle for financial reform, markets plunged and millions of investors saw their 401(k)s cut in half to 201(k)s as hard-earned savings evaporated.

Today we have the opportunity to pass an important reform bill. This bill is a key first step to restoring confidence in the markets—which has been badly damaged as weak half-measures proposed since the Enron collapse fell far short of what the market needed. I support this conference report and will continue to monitor the regulatory implementation of the provisions contained in the report.

WE FILLED THE PRESCRIPTION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 2002

Mr. STARK. Mr. Speaker, Dan Rostenkowski, former chairman of the Ways and Means Committee, recently wrote an op-ed in the Washington Post that I commend to my colleagues. It follows.

In 1998, I served as Chairman of the Ways and Means Health Subcommittee. Essentially, I was the pharmacist who filled his prescription for the Medicare Catastrophic Coverage Act.

I share his sentiment that if that law had stayed in effect, we would not be here more than a decade later trying to figure out who to get a prescription drug benefit into Medicare—it would already be there. The law may not have been perfect, but we had a drug benefit and we snatched defeat from the jaws of victory.

WE FILLED THE PRESCRIPTION

I have a prescription drug plan for you. Here's what it does:

It pays 80 percent of drug costs after a $710 deductible has been met, and it costs a relatively modest amount—a $4-a-month premium for 40 percent of beneficiaries and a maximum of $800 a year for the richest 5 percent.

It's never happen, you say. Well, it already has. Just such a plan was enacted by Congress and signed into law by President Reagan in 1988. Unfortunately, mistakes were made in implementing the plan, and it was repealed a year later. But the concept behind it is worth another look today, as we contemplate huge new federal expenditures for prescription drugs for the elderly.

Of course, if we attempted something similar now, the numbers would be different. Because of inflation, the basic monthly premium would be nearly $8, the maximum premium would be in the $1,600 range and the deductible would rise to nearly $1,100.

It's important to note that the original program was designed to cost the federal government nothing. It was to be self-financed by the elderly population. That was a big issue back then, when people were concerned about big deficits and the need to bring the budget back into balance.

Priorities have changed. Today we see dueling plans that would, over the next decade, cost our government $350 billion to $800 billion. That's not chump change, especially considering that the Medicare program is already unstable and expected to run out of money fairly early in this century unless some big changes are made.

In today's free-spending atmosphere, the promised benefits are also a bit more liberal than those offered by the old program, kicking in after only $100–$250 is spent, depending on the plan. Obviously my successors have learned one lesson: Proposing an insurance program that doesn't promise benefits to most of the people who pay premiums can be a provocative and dangerous act.

Nevertheless, the odds are very long indeed against any of the plans now on Capitol Hill actually becoming law. This is especially true for the GOP plan, which requires private sector providers to bid. Some of us remember what happened when we invited private firms to provide Medicare coverage: Few took the challenge, and many that did failed to stay the course, deterred by government reimbursement that was less generous than what they had anticipated.

The plan we passed 14 years ago providing Medicare drug coverage was repealed by legislation signed in 1989 by the first President Bush. I'm convinced that had we stayed the course until 1992, when the benefits would have been fully phased in, the program would still be operating.

One of the mistakes we made was collecting the premiums immediately while adding the benefits only slowly. This was the fiscally responsive thing to do, of course—ensuring that money would be available to pay the promised benefits. But it was a big political mistake.

To be sure, if the program we enacted had survived, it would have changed over time, much as the tax system changes or the Medicare program has evolved in response to cost pressures. Perhaps it would be a bit less generous. Maybe there would be a formula to push patients toward the drugs that are most cost effective; the government has gotten quite sophisticated at squeezing other Medicare providers to as to maintain benefits while controlling cost increases.

But in any event there would be a program, however imperfect, helping a lot of people who need the aid—something we don't have now. Personally, I'd be surprised to see any Medicare drug benefits paid until the latter half of this decade, if then. And if the fiscal health of Medicare declines further, the entire issue may be put on hold.

More than 300 House members voted for the prescription drug program in 1988. More than 300 voted for repeal the following year, a drastic switch strong enough to induce political whiplash. In the interim, I was reminded once again of how no good deed goes unpunished: Unhappy seniors blockaded my car when I tried to exit a meeting called to discuss the issue. That was temporarily embarrassing for me, but they're the ones who are feeling the long-term pain. I suspect they wonder where the benefits are now that they need them.

After that failure, the issue became politically radioactive and went virtually untouched by Congress for a dozen years.

Will Washington be smart enough to learn from the past so that America's elderly will get the help they need in the future? My fear is that we're witnessing an unrealistic debate that will, at best, yield nothing more than a crop of partisan and empty talking points.