HEALTH CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from New York (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the majority leader.

Mr. GARAMENDI. Mr. Speaker, I request that we enter into a colloquy with our colleagues from the Democratic side.

Earlier today, I had the opportunity to exit the Chamber and go out to the veranda overlooking the east lawn of the Capitol, and there were a couple thousand folks out there protesting this legislation. And in their chanting they were saying: Kill Obama bill. I suspect they're referring to the health care bill, not to the President. And I was thinking about what does it mean to kill the bill. What is the effect of killing this legislation and letting time go on with the current situation in the United States?

Next to me here is what is happening in the United States today. Forty-five thousand Americans die each year because they are uninsured. They lack health insurance. Forty-five thousand. That's about twice the number that are found in any of the arenas today as March Madness continues. Forty-five thousand. But that's not the end of it.

So we start with 45,000 Americans. What about the rest of the Americans? We rank 19th among the industrialized nations of the world in the health of our citizenry. Our children die earlier. All Americans die earlier than the other 18 industrialized countries. The rate of increase in the health care market for the individual market in California and in many other States was nearly a hundred percent within a 1-year period. Some 50 percent last year and a similar amount this year, an unaffordable rate increase.

In California, the average number of claims denied by the insurance companies was 21 percent, and the range was from 39 to 17 percent. You talk about a death panel. Here's where the real death panel is. It is in the insurance companies themselves, denying benefits, denying claims, denying treatment for illnesses and for afflictions that cause death. This has to end. On Sunday, we will bring this kind of unacceptable situation to an end, because on Sunday we will pass affordable, available health care for America.

I'd like now to call upon my colleague from New York (Mr. TONKO).

Mr. TONKO. Thank you, Representative GARAMENDI.

It is important, I believe, for us to recognize, as you're suggesting, the benefits that we're bringing because of this reform for Americans across this great country. Now, the chants that we heard today were concerned about taking away freedoms. I would suggest that as we look at the dynamics of this legislation, we're going to see great improvements—great improvements to access, to affordability, and to the quality of care, all of which are, indeed, important to our families, our individuals, and certainly to our businesses, as they continue to struggle with the cost of health care insurance.

As we think of these dynamics, it's important to know—and I look at the benefits personalized to my congressional district in upstate New York, in the capital region, and amongst those benefits is an improvement where 1,100 to 1,200 families will be spared the pain of bankruptcy. When you think of the growing dynamic that health care costs have as they relate to bankruptcy, it's staggering. It's staggering. Eleven hundred to 1,200 families will be saved from the ravages of bankruptcy driven by medical costs, health care costs.

I'm reminded with recent data that 62 percent of bankruptcies in this country are caused by exorbitant medical fees, health care that is not covered even though in some cases people are insured. In fact, I'm reminded that of that 62 percent, 78 percent had insurance when they were impacted by this illness, by the catastrophic situation. That tells us something.

So we want to talk about freedoms. Yes, I want to provide for the freedom from bankruptcy, the freedom from claims being denied by insurance companies when you are insured. And as you indicated, Representative, in your home State of California, the number is staggering. I want to promote freedom—freedom from the greed of insurance executives who say the sky is the limit for compensation and the profit column rules the day.

These are the freedoms that we believe are important to the American public: freedom from bankruptcy; freedom from denied claims; freedom from ever-rising costs, premiums that are escalating beyond belief; freedom from grief. That's what we're talking about here.

And tomorrow will be an historic day as we look to change that situation and to strengthen the fabric of our American families and our business community as we continue with this employer-based health care delivery system that will allow us to go forward with a sense of access, affordability, and quality of care.

Thank you for bringing us together this evening, Representative GARAMENDI.

Mr. GARAMENDI. Mr. TONKO, thank you very much. You raised the issue of the insurance companies and how they act in the marketplace. I was insurance commissioner in California 1991 to 1995 and again 2003 to 2007, and I can tell you horror stories about what the insurance companies do, and I will tell this to the insurance companies.

When the President signs the bills tomorrow, the era of the insurance companies discriminating against Americans because they have a preexisting condition, it's over, folks. It's over. No longer will the insurance companies be able to say to you, No, I will not give you insurance because you had acne when you were a child or because you may have taken some asthma medicine early in your life or you have any of the four pages of preexisting conditions. The insurance companies will end their discrimination because the law will make it illegal for them to do so.

And the issue of bankruptcy. The policies that will be available through the networks will provide, by law, that there is no longer lifetime maximum payments so that the bankruptcies that you specifically spoke to will no longer be existing.

□ 2030

The maximum lifetime limitations that the insurance companies have used for years will be over, and shortly the annual limitations will also be over, and the benefit packages will be full because there will be national standards for benefits. The kind of cheap, useless policies that plague Americans when they can't afford a standard policy, they seek something that ultimately will not provide them with the care they need. So that is one of the major reforms in this. This is an insurance reform of extraordinary importance.

Let me now yield to our colleague, the gentlewoman from Texas.

Ms. JACKSON LEE of Texas. Let me thank both the distinguished gentleman from California for the background that he brings to the United States Congress as an insurance commissioner of a State and the distinguished gentleman from New York who made some very valid points.

As a member of the House Judiciary Committee, in fact, we have lived with this for now almost 10 years. I remember trying to reform the bankruptcy code to protect people from things like alimony payments or women being denied the ability to receive alimony payments because credit card companies wanted to stand in front of the alimony payments and take first in line. So we have seen people being destroyed in a number of ways, and we do know that by catastrophic illnesses they are destroyed.

I just want to focus on two or three points. One, the big sign, about 45,000 Americans dying every year. I don't know why that doesn't send out a clarion call. We should not be so insensitive to life that 45,000 people dying does not impact our colleagues on the other side of the aisle. We've been saying this over and over again, 45,000 people. That means somebody is dying as we speak because they did not have health insurance or that they were denied.

I want to remind our colleagues of some horrible stories. I remember one of a young girl who had leukemia, and it was on national television. I think the company was CIGNA where the family actually went to the insurance company and begged for this young girl to be able to have this very special blood procedure. They were turned away, and they were turned away, and

they were turned away until finally public embarrassment—the news media. And the family went again. The tragedy is that when the company finally approved the right of this young girl, 11 years old, it was too late. The doctors could not perform the procedure. And so we have seen any number of incidences where because of lack of insurance, we have not been able to save a life.

What about the recommendation of Goldman Sachs that said just a couple of weeks ago, If you want to make a buck, the best place to put your money is the Nation's health insurers, the Nation's insurers. You'll never have to worry about them going out of business. You will never have to worry about them trying to save you any dollars, and you'll always know and count on them raising the premiums over and over again. What did you say, 94 percent of the premiums are raised. A family of four will see their premiums go up $2,000 to $3,000 a year.

Mr. GARAMENDI. It's interesting to observe the effect of that. This is Blue Cross of California. Two years ago, their profit was almost $300 million. The effect of those rate increases—the first rate increase, not the second one, but the first one which was around 50 percent—was to increase their profits to $2.3 billion, and now they want to add another about 30 percent average on top of that. So what will their profits be after all of that? It's shameful.

What the legislation does is to reign in the excessive increases in the insurance companies' premiums. It does that by requiring that a higher percentage of their total premiums go to medical services. Now if you want, go check Wall Street, go on Charles Schwab, check the Wall Street thing. If you want to make an investment, they will say, Invest in the companies whose medical loss ratio is low and trending downward. That simply means that they're paying less for medical care and more for profit. We're going to turn that on its head. We're going to force the insurance companies to pay for medical services and less for profits.

Ms. JACKSON LEE of Texas. Let me just make one final point so I can close. The final point is, and what this bill will do as well, is provide competition. I mentioned that a good friend came on the floor and talked about a State where there is only one company. My State—a big State and is soon to gain in population through the Census, Texas—has three. So this bill, once it passes, will open up the doors of choice for those who have insurance or those with employer-based insurance, because we're not taking away employer-based insurance. I think that we're moving in the right direction, and I hope that this story will be told tomorrow in the right way.

Mr. GARAMENDI. And we should also remember in that competition model, we will be creating exchanges in which insurance companies will be there, they'll have to compete, and they'll compete on a standard policy.

Let me now call on our colleague from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. I appreciate it, and I appreciate the gentleman from California and our other colleagues here.

I have got a nephew at home who is like 3 years old I think. You know how these kids have different little cute things that they say. His new thing is that if you ask him, you know, Why are you going in this room, and he'll say, Well, I'm going in here because of X, Y or Z, that's why. So he finishes all of his sentences with ''That's why.'' You ask him why, he says, ''That's why.''

So I was thinking about this debate, and people say, Well, why are you supporting this legislation? Well, so kids can stay on their parents' insurance until they're 26 years old. That's why. You know, we have got kids that are getting denied because they have a preexisting condition. The insurance company says, We won't cover you. I'm supporting this bill because that's going to change. The other provisions that you're highlighting here, tax credits for small businesses, up to 35 percent, and it's actually in some instances 50 percent of a tax credit for our small businesses for people who are providing tax relief to small business men and women who are providing health insurance. That's why I'm supporting this bill. If you get sick, and you try to get coverage, and all of a sudden the insurance industry, the insurance company says, Well, we can't cover you anymore, that's going to be done with.

Think about these significant investments, these significant protections that we are making as a country. I love the idea of all the tea baggers that were down here today talking about these concepts of liberty. I would ask them today, Tell me, what do you mean? What liberty are we taking from you? And let me compare it to the person in my district, the 1,700 families last year in my district that went bankrupt. Are they free? They are not free. They are trapped in an economic system that buries them because someone in their family got sick.

My goodness gracious, what did our Founding Fathers mean when they gave us these ideas of life and liberty and the pursuit of happiness? Who can pursue happiness when they're bankrupt? Because of nothing that they did—it wasn't bad financing; it was bad luck. And if we don't start to recognize in America that some people in our country just have bad luck, and if the government doesn't step in and push back the insurance industry to say, We're going to carve out—we're going to box out the insurance industry so this family will have some freedom, have some protections, that's what this is about.

I've got no interest in stymieing business growth. I come from Youngstown, Ohio, for God's sake. We've been in a recession for 30 years. You think I have an interest in stymieing business development? I want to help it. You've tried yours. They've tried their side, I would say to my friends. I was here. I'm not that old, but I've been here 8 years now. I sat here, and I watched while Bush jammed through his tax policy, cut taxes for the rich. They said, This is going to trickle down and help the poor. It didn't help anybody but the rich.

I sat here and watched while he passed a prescription drug bill, didn't negotiate prices, didn't do anything, didn't pay for it, borrowed the money, started wars, didn't have money for the wars that he started. I sat here and watched while the Republican rubberstamp Congress rubberstamped all of those policies. The economy didn't improve. Wages didn't go up. They had control of every single thing. They had a chance to implement their health care strategy. It didn't work because they didn't do anything. They had a chance to implement their energy strategy. And when gas goes to $4 a gallon again this summer, we're going to feel it again. This is significant stuff we're talking about, and Democrats are stepping up to bat for the American people. We are taking on the insurance industry.

Mr. GARAMENDI. Thank you. We've discussed here the issue of bankruptcy, and I got a call from my daughter this afternoon. She said, Dad, thank God I'm a nurse and I have insurance. Matteo's arm, which was badly broken and required surgery, will probably be a $70,000 event. She said, If I didn't have insurance, we would have lost our house. That's the situation that's faced by every family. Thankfully this was not the situation that my daughter and grandson faced, but it is faced by tens of thousands, if not hundreds of thousands of Americans. And it's right here. The insurance companies dominate these markets. Lifetime benefits. She probably has already run through her lifetime benefit. That child is probably going to be uninsurable because he has a preexisting condition, a badly broken arm. Those days are over.

I would like now to yield to my colleague from California, a magnificent Representative with whom I have worked with for more than 34 years. She was a California State senator and took over my position when I left the chairmanship at the California State Senate Health and Welfare Committee, Representative WATSON.

Ms. WATSON. I just want to say to my colleague and those here on the floor this evening, I am so proud to share the space in this Chamber with the likes of you. And particularly you, Congressman GARAMENDI. And he was correct in saying that, yes, when I got into the Senate, he relinquished his committee, and I held it for 17 years. I think he probably is aware of my feelings at this moment.

I have viewed the ugliness of today, Congressman GARAMENDI, that is so

reminiscent of what I went through when I was on the school board in the 1970s, and we had to integrate our schools. I was the only person there who was an African American, and I had to endure the slurs that were heard today. It was absolutely ugly. The use of the ''N'' word, spitting, the ranting, the distortions, the slurs, and the deceitful references to our health care reform. I felt it was despicable. I didn't think it could happen again here in America, but I'm reminded that hate continues.

Why should there be ranting and raving when we're trying to cover the 38 million Americans without health care insurance? And 8 million are in our State, California, and 6 million of them are children. I want to say that the legislation that we are addressing will make health care affordable for the middle class. I don't know how many people out there ranting were middle class, but this definitely will help them. It will provide security for our seniors and guarantee access to health insurance for the uninsured.

I just want to very quickly mention what it will do for the 33rd Congressional District. That is my district in Los Angeles, Culver City, California. It will improve health insurance coverage for 304,000 residents, it will give tax credits and other assistance to up to 173,000 families and 15,100 small businesses to help them afford coverage.

□ 2045

It will improve Medicare for 75,000 beneficiaries, including closing that doughnut hole. It will extend coverage to 132,000 uninsured residents. It will guarantee that 22,200 residents with preexisting conditions can obtain coverage, and certainly the children, starting when the bills are signed into law. It will protect 1,100 families from bankruptcy due to unaffordable health care costs. It will allow 66,000 young adults to obtain coverage on their parents' policies until they are 26 years old. Isn't that exciting. It will provide millions of dollars in new funding for five community health clinics in my district alone. And it will reduce the cost of uncompensated care for hospitals and other health care providers by $16 million annually.

And I want to set the record straight: this will add and protect and supplement, not take anything away.

Mr. GARAMENDI. Representative WATSON, thank you so very much. I am appalled and personally offended and I think all owe an apology to those Representatives who were demeaned, who were spat upon, who were cursed, and who were called the ugliest of names. It is totally unacceptable.

I yield to Mr. TONKO.

Mr. TONKO. Representative GARAMENDI, I couldn't agree more. I think Representative WATSON says it well. There is all the call for civil discussion, exchange of information to do things analytically and substantively when it comes to a huge industry that represents $1 of $6 in this country, and we need to do it in a way that brings together the facts, not to deal with fiction. Emotion, obviously, is a part of this discussion. We heard it from our friend, Representative RYAN. We are emotionalized by this, but let's have the sort of dialogue that builds soundness into the reforms that we desperately need as a Nation.

When we get back onto this message of freedom, the freedom to shop, many of us understand there is a capitalist model out there. People understand that it is good to have business be successful. And where we can control cost and contain cost, and allow for growth of that business so more jobs are part of that picture, all the better. So we have the opportunity with these exchanges, developed by this reform legislation, to allow for the freedom to shop, to find a better bargain for health care, and as previous speakers have said, add more people into the mix, more providers into the mix that want to fight for the right to serve you. That is a strengthener.

And then we establish these exchanges where we require those exchanges to have certain rules to be met, to have regulatory aspects. We saw what happened when no regulation was part of the financial world and the banking community; it brought us to our knees in a recession. We need that sort of regulatory aspect, and it is part of the picture.

The medical-loss ratio, the amount of money going back directly to consumers, to those insured, rather than into the profit column, will be a litmus test in order to offer your services in that exchange. And to live with the standards' minimum benefits package. These are the improvements that we bring.

So again to Mr. RYAN's emotion, and I attach myself to that sentiment, we are promoting freedom to shop and we are promoting freedom from bankruptcy. These are essentials of this bill; and the exchanges will allow for much more competition that sharpens the pencil and drives the bottom line benefits for consumers. And the freedom to escape restriction and bias if you have acne or are overweight, or for women who are of child-bearing years, or those who have been violated through domestic violence, to use that as a standard, to deny you insurance coverage, that is the freedom you need, to escape those biases and that prejudice and that tool that allows the industry to grow more prosperous because it won't insure you—these are the freedoms we are encouraging. These were the freedoms we are guaranteeing.

So I am proud to be here tonight to work with you, Representative GARAMENDI, to make certain that we share with the American public what is really happening with this measure, and we are going to make history by approving this package.

Mr. GARAMENDI. Representative TONKO and Representative RYAN, both of you have spoken to the American economy in Youngstown and the effect that 30 years of recession has had on that town. One of the fundamental problems in the American economy is the extraordinary growth in the health care sector.

This little chart here really explains why many parts of the American economy are not competitive. This little red line here is the growth in the percentage of the wealth of this Nation, the GDP, that is now in health care. We heard earlier one-sixth. Well, it is 16, almost 17, percent of the total wealth of the Nation that is tied up in health care. We are growing faster in this sector than any other sector of the American economy.

Our competitors around the world are down in the 10–11 percent range. President Clinton, explaining this in a speech in California that I had the pleasure of attending, indicated that this gap here between the 16–17 percent of the American economy that goes into health care versus the 10–11 percent that our competitors are spending is like giving a $80 billion a year gift to our competitors around the world.

And so when the industries in the manufacturing of America go out, the car industry, other heavy industries go out to compete, they are saddled with this extraordinary additional cost because of the growth in the health care sector.

The fact is the more inflation in the health care sector, the fewer people are insured. This is why we are seeing small businesses shedding health care, and why we see the extraordinary run up of the uninsured as the economy goes down. It is not just losing your job; it is the small businesses being unable to continue to purchase health care.

One of the most important things that is going to happen in this legislation for small businesses is a specific tax reduction, a credit, of up to 35 percent in year one and then rising to 50 percent for every employee that they provide health care for. So it is an enormous benefit and incentive to provide the insurance, to maintain the insurance, and that is what is going to go on in the years ahead. So all of the talk about this bill being bad for business, it is simply not true. This is what is bad for business. There is serious cost containment in this legislation through a variety of ways.

I yield to Mr. RYAN.

Mr. RYAN of Ohio. It is interesting, I was listening to my colleagues from New York and California, I can't get over what all of the fuss is about against this bill. This is something that Bob Dole and Senator Chafee had worked out in the eighties. This is middle-of-the road stuff. Many of us wanted other things in here. I am not afraid to admit that. There is no public option in here. This is not single-payer. This is right down the middle. This is bread and butter, all American, apple pie and Chevrolet. This is baseball.

Look at it, tax cuts for small businesses. Many people in our districts make $50,000 a year. Under this proposal, a family of four making $50,000 a

year in Niles, Ohio, will get $5,800 worth of a tax credit. That is a middle class tax cut. This is what is in the bill. We are regulating and putting in new rules for the insurance companies. We are not taking over, but this is pretty simple. And the gentleman from New York mentioned it: this is about prevention. There is no one who can argue with the fact, Mr. Speaker, that we have 30 million-plus people in the United States of America who have no preventive care at all, dumped into our emergency rooms, much sicker than they need to be. And it doesn't take a Philadelphia lawyer to figure out that that costs a lot of money, as opposed to giving each one of those, and they pay nothing, they go there and they pay nothing. They don't pay anything. So it is all free, shifted off to the next person who comes in with an insurance card.

What we are saying is, it is cheaper for us as a country, since we are all already paying for them anyway through higher insurance premiums, it is cheaper for everybody if we give them an insurance card and make them pay something. No more free riders. Everyone is going to have to pay something, and get them to a primary care physician who will give them a $20 prescription drug instead of going to the emergency room a week or two later and costing us $10,000 or $15,000 or $20,000. That is what this whole thing is about.

And when the industry is set up, as it is currently, to knock people off the rolls and deny coverage, especially the stories we have heard coming out about people with HIV and AIDS, you are not covered. That gets pushed off and dumped on everybody else. We are saying this is a pro-business bill.

I am glad, as the one gentleman said earlier, I am glad that the tea baggers are in Washington, D.C. to watch this pass because this is going to be the most significant tax cut for middle class people in the history of our country, especially geared towards health care.

When I can go home and tell my folks that a family of four making $50,000 a year, they are going to get a $5,800 tax credit for their health insurance, they probably don't know that right now, but I am going to spend the next 6 months making sure that every single family in my district knows that they are going to get that tax cut, and they are going to like what we have done here.

Mr. GARAMENDI. Thank you, Mr. RYAN.

One of the things that we have heard all day is about Medicare cuts, somehow the Medicare system is going to be cut. I would like to get into that a little bit because this bill specifically helps Medicare. We have talked about the doughnut hole. This is the prescription drug benefit which, by the way, my Republican colleagues, which I guess are not here at the moment, when the prescription drug benefit part D was put in place, the Republicans controlled this House with the President and they never bothered to pay, never bothered to pay for that benefit. And so you want to know where the deficit came from? It came from there and it came from the two wars that the Bush administration started and didn't bother to pay for either, so we ran up the deficit.

But here is the thing for seniors, to go back on my point here, is that the program provides very specific benefits to seniors. It provides $250 this year, a $250 additional benefit for seniors to pay for drugs. Those that fall into the doughnut hole, that doughnut hole begins to close this year, and in 5 years it is totally gone.

In addition to that, it is explicit in this legislation that the Medicare benefits will not be reduced.

I yield to Mr. TONKO.

Mr. TONKO. I think what is important to note is the nomenclature on this one is rather offensive. We talk about the doughnut hole as being Medicare part D, but who is paying that? Is Medicare paying that? No, our senior community. Our senior citizens are asked to contribute. It is not Medicare paying for that portion.

So this one was cleverly devised. Cleverly devised. You can almost see the game of footsie going on because somewhere people sat down and thought, We can come up with this great, clever name, sounds attractive, sounds tempting, a doughnut hole. I can tell you many seniors come to me and tell me within a matter of months in any calendar year, I am at that threshold.

For those who are not familiar with it, think of the simple doughnut with the hole in the middle. You get covered for a while, then you don't, and then you do. It is that threshold. Actuarial measures could have told them right when you have to peak there to get people into their own pocket paying for this device that is hurting our senior community.

So when we talk again about freedom, this is freedom from the doughnut of the worst kind. This is freedom from digging into your pocket and paying for your pharmaceutical needs to stay well or to stay alive. So this measure is great about freeing us from that doughnut hole; but this is not Medicare funded, this is out of the individual's pocket, and it is hurting our senior community. And by the year 2018, we will close that doughnut hole completely. It is an expensive proposition; but, again, as you pointed out, no one worried about paying for it when they came up with the plan.

□ 2100

Mr. GARAMENDI. I might add that between now and 2018, some of us are going to be around here, and we are going to give the Federal Government the power to negotiate drug prices. We are not there today. It is one of the things that is missing in this legislation that I wish was in it. But it will happen. No longer will they be free from competition.

I yield to the gentlewoman from California.

Ms. WATSON. I want to set the record straight, because there have been so many distortions. In church last Sunday, and I am Catholic, and it is Lent, and I was going down to take communion. I was four people before getting to the priest to get communion when someone I know leaned over and said, ''Don't take my Medicare away.'' The distortions that are out there have to be set straight.

I really appreciate my colleagues and you, Representative GARAMENDI, for talking about closing the part D doughnut hole. I think it was about $2,300 that you had to expend for your own prescriptions and then you went into a period of time when you got no help and no discounts. Now that is going to be eliminated. And I just want to say for my friend who stopped me in church last Sunday, the legislation will allow 6,100 Medicare beneficiaries in my district who entered the part D doughnut hole and are forced to pay the full cost of their prescriptions, that under this bill these beneficiaries will receive a $250 rebate in this year, 2010; 50 percent discounts on brand name drugs beginning in 2011; and complete closure, complete closure of the doughnut hole within a decade. A typical beneficiary who enters the doughnut hole will see savings of over $700 in 2011 and over $3,000 by 2020. And you will be here to see that because you are from California too.

Mr. GARAMENDI. Thank you, Representative WATSON, for making it so personal to your district. The same savings are to be found in every one of our districts. We have different percentages of seniors in our districts, but the fact is that there are very, very significant savings in this.

I want to take up one other issue that has been raised over and over again by the Republicans in the most disingenuous and I think rather dishonest way. And that is the reduction of some $500 billion over the 10 years in Medicare expenses. Now, where do those reductions come from? They would let us believe that those savings are from the reduction of benefits. That is not true. There is explicit language here that benefits will not be reduced. I will tell you where the money is going to come from. It is going to come out of the pockets of the insurance companies that have ripped the Federal Government off to a fare-thee-well for the last 6 years, ever since the George W. Bush administration created the Medicare Advantage program, which they did, incidentally, in reconciliation.

It is abominable that this government has had to pay a bonus to the insurance companies to provide Medicare Advantage programs when in fact they said they could do it cheaper than the fee-for-service Medicare program. Sixteen percent bonus over and above the

average cost of Medicare for seniors is given to the insurance company for no good reason. Those days, that bonus, that unintended and unnecessary profit is going to be over.

Secondly, there is fraud and abuse in the Medicare system not from the seniors who are striving to get their benefits, but rather from purveyors, doctors, medical device people, and out and out fraudsters. We are going to be hiring. Some of those people that were talked about earlier from the IRS and the CMS, the Medicare office, those folks are going to be out there chasing after criminals that are ripping the Medicare system off to a fare-thee-well. That is where the reductions are coming from, from those two places.

I yield to the gentleman from New York.

Mr. TONKO. Representative GARAMENDI, again thank you for bringing us together. I think in addition to that, and you are very right, to have oversubsidized the Medicare Advantage programs some 12 to 14 percent, people say where are the costs coming? Not from you, from the profit column. And actually, we want that to be transformed to something that is Medicare-related in terms of balancing the scales there and allowing our seniors to still have an advantage by having that program continue, but making certain that the oversubsidization is denied. And you are very right about the fraud and the abuse that may be part of that programming.

But it is also important to note, I believe, that situations like medical home models and accountable care organizations will provide for the collaboratives that we need to coordinate the resources, to improve access, and to bring together the confluence of services in a way that streamlines without really hurting—actually helping the outcome for our seniors.

Then of course free annual wellness visits. Making certain that those copayments, those deductibles are not going to saddle individuals, again having to be forced to dig into your own pocket. We will now have those free annual opportunities, screenings of essential types, the annual checkups. These are items that will not require—actually, copayments and deductibles will be denied and they will be disallowed. So you go forward and you encourage the preventative and wellness approaches to health care delivery, which is an important aspect, I think, to the benefits of this program.

We have to remember that the $1.2 trillion that is saved in the second 10 years out and the $138 billion that is saved in the first 10 years are just those budget-related scorings that were done by the Congressional Budget Office. But there are those who are suggesting that well beyond any kind of budget impact are the ripple effects of a good kind that will come simply by instituting wellness and prevention and access and putting clinics into the system, relieving our health care delivery system of uncompensated care burdens. A number of these things can't be scored by the Congressional Budget Office. So it goes well beyond the $1.34 trillion that has been projected by a very conservative, nonpolitical CBO group.

So I think there is reason for great hope here. And if we could instill hope, if we could insert hope into the lives of people, into the fabric of our health care opportunities we are achieving a great deal. And again, because this is so critical in the lives of people and in the profit columns of businesses that provide jobs, this is an important discussion.

Mr. GARAMENDI. I really want to home in on what you are saying, but let me wrap up the senior part here if I might. Let's be very, very clear about the Medicare program. First of all, the AARP, American Association of Retired Persons, say that this legislation is going to lower costs and improve care for seniors.

Secondly, it is in the bill, no benefit cuts. It is in the bill. Two hundred fifty dollars in the pocket of seniors who have got their medical prescriptions in the doughnut hole to help pay for that. And that is this year. Not 10 years from now, this year. Medicare part D doughnut hole is beginning to close. It is going to take time because it is expensive and it does take a lot of money, but it is going to close by 2018. And there will be significant drug discounts for seniors who use generic drugs this year, saving seniors, just as you said, millions of dollars out of their pocket. And that is not in the CBO score.

I yield to the gentleman from New York.

Mr. TONKO. I would have to add to your list of benefits in this measure is the stabilization of the Medicare trust fund, providing that trust fund as we go forward being a stronger element out there, enabling us to again provide the Medicare benefits and services that are required. It is an important aspect. It is important to 113,000 beneficiaries in my district. So we want to make certain it's there.

Mr. GARAMENDI. It's not on my list. Do you want to add to my list another benefit?

Mr. TONKO. I will add to your list. And I am glad, Representative, that you made mention that no benefit cuts are included in the language of the bill. So these are another bit of freedoms that we are talking about in this measure.

Mr. GARAMENDI. So we add to the bill that the Medicare trust fund is made solvent for something either 7 to 9 years.

Mr. TONKO. Nine years.

Mr. GARAMENDI. Nine years. Okay. We added that one here. Medicare Advantage, we talked about that. The bonus to the insurance companies is gone. And that money is not sent off to some other program, that savings stays in the Medicare program. Reduce senior premiums, improve access, expanded benefits, extend Medicare's fiscal—I did have it here. I just didn't read it. Here is the Medicare fiscal health. And finally, the issues you were talking about, prevention, organizing the care so we have continuity of care.

I yield to the gentleman from Ohio.

Mr. RYAN of Ohio. Just listening, I want to speak directly to Members of the House because we've got a few minutes left tonight and some debate tomorrow. How does this play out over the course of the next few months? By listening to what you gentlemen have just got done saying about Medicare, the significant improvements of strengthening Medicare, we're going to have to run an election. And there is probably going to be an election on this bill. What has happened over the last few months is our friends on the other side have consistently tried to throw arguments again the wall, and they would just fall; they wouldn't stick because they weren't true.

We started with death panels, and illegal immigrants, and abortion, and we went right down the line. None of them ended up working out. ''It's going to bankrupt the country.'' And then we get CBO—I mean you just go right down the line. They said it's going to support abortion, and then we have 60,000 Catholic nuns, 600 Catholic hospitals, 1,400 Catholic nursing homes, a bunch of Catholic theologians saying this is not a pro-abortion bill, this is a pro-life bill. Same thing with illegal immigrants.

Then they say it's going to spend a ton of money, and then the Congressional Budget Office, a neutral third party, says it's going to save $1.2 trillion, reduce the deficit by $1.2 trillion in the second 10 years, $130 billion in the first decade. That is a reduction in the budget deficits on the backs of what President Clinton did by reducing the budget deficit. So we have a history of doing that.

So quickly, the debate in the fall about health care is going to go something like this. We pushed an initiative that is going to close the doughnut hole and give our seniors 250 bucks just this year to help close that doughnut hole. Our friends on the other side running against us will be saying we want to repeal that. We don't want that closing of the doughnut hole.

We're going to be campaigning on little kids who have a sickness are now being denied insurance coverage because they have a preexisting condition, we're going to say, we stopped that from happening in the United States of America. Our friends on the other side are going to be running a campaign saying we want to repeal that.

We're going to have in there we want to have a ban on preexisting conditions for all citizens across the board. Our friends on the other side are going to be running a campaign saying we want to repeal that. And on and on and on.

People who are now getting kicked off the rolls, their insurance rolls, because they got sick, we're saying that

could never happen again in the United States of America. And next fall our friends on the other side of the aisle are going to say, no, no, we want to repeal that ban. We want to continue that practice of the insurance industry being able to kick people off of their insurance because they got sick.

We're going to be saying, hey, your kid that just went on the insurance rolls because they were 24 years old and we allowed that to happen because of the health care reform bill. Our friends on the other side are going to be saying they want to repeal that provision that allows young people to stay on their parents' insurance until they're 26 years old.

Very clear. The family in my district, your district in New York, your district in California, your district in California, all across the country, those families of four making $50,000 a year who are going to get a $5,800 tax cut that we put in because of this reform, our friends on the other side are going to say we want to run this election about repealing that tax cut.

Same with the 35 percent and then up to 50 percent tax cut for small businesses. Our friends on the other side are going to say, we want to repeal that. This is a referendum on health care reform. I say I want to have that debate day and night for the next 6 or 7 months because that is a debate, Mr. Speaker, we can win and we shall win. The only issue now is a lot of people do not know all of these benefits that have been itemized here tonight. They will know in the next 6 months.

I yield back to my friend.

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Mr. GARAMENDI. We've got about 6 minutes left, so let's each take about 2 minutes.

Mr. TONKO.

Mr. TONKO. Thank you very much for bringing us together.

There is so much to talk about with this bill, but you know, as what has been mentioned with Representative RYAN, a family living on an annual income of $50,000 gets the $5,800 tax credit. Well, you know, it doesn't end there. It goes all the way up to the threshold of $88,000 for annual household incomes whereby families are going to receive some sort of benefit.

This is an extraordinary opportunity to provide for middle-income America, to provide income for them so that they can promote wellness within their individual families. Absolutely tremendously strong idea. It empowers the middle class, the working families of this country.

It empowers our small businesses. Representative WATSON talked about the benefits in her district to small businesses. In my district, between 14,000 and 15,000 businesses will be given the opportunity for tax credits to help purchase the employer-based plans for their given employees. And don't they prosper from a sound and well workforce? I think that is important. They also will have the benefits of shopping within an exchange if they so choose.

So there is all of this effort made to make certain that we advantage people in a way that will promote wellness, provide health care in an affordable and accessible fashion.

We also do know that the benefits to our senior community, with all of the strengthening of Medicare without reducing those benefits, promoting their pharmaceutical needs being addressed fully in the near future so that they are not avoiding those pharmaceuticals simply because they cannot afford them; that is bad policy.

So what we have here is freedom galore, freedom galore to be able to stay well, to stay strong, to grow and prosper, to be hopeful. This is a golden moment. This is a wonderful moment that we will share tomorrow as we come out to this floor and address this health care reform measure.

And thank you Representative GARAMENDI for bringing us to together. Thank you for the opportunity.

Mr. GARAMENDI. I appreciate your passion on this no less than Mr. RYAN's.

Ms. WATSON. And very quickly I, too, want to add my thanks to my colleagues for providing this time.

I want to remind our country that in this legislation, we have community health centers. And I remember in the beginning some people were very disturbed because their districts—and they feel that they have areas that are so remote, how will this health insurance plan cover them.

They need to know that nationwide the legislation will provide $11 billion in new funding for these health clinics. And they'll be in rural areas; they will be in suburban areas. Those people who are not in the urban core will be provided with health care. And if the community health centers in the district, your district, receive the average level of support, these centers will receive millions of dollars in new assistance so that we can cover as many of the uncovered as possible.

And I want to remind the viewers that if you have insurance and you like your insurance, you can keep your insurance. If you love your doctor or your health care provider, government does not come in between that relationship. And I want the viewing public to know that.

And then I want to end by saying there is no deficit spending. I sat in my office and heard the opposition say, It's going to rob my children, you know, and, it's going to wreck their children, and it will rob them because they'll have to pay off the deficit.

The cost of health care reform under the legislation proposed is fully paid for in large part by eliminating, and you mentioned it, waste, fraud, and abuse and excessive profits for private insurers.

The legislation will reduce the deficit by over a hundred billion dollars over the next 10 years and by about $1 trillion over the second decade.

So thank you, Representative GARAMENDI for allowing us this time to set the record straight.

Onward to victory.

Mr. GARAMENDI. Thank you very much, Representative WATSON. It has been a joy to work with you these 35 years and work with you this evening.

This is a historic moment. This is something you and I and many others have worked to try to provide health insurance for all Americans. Some 32 million Americans will receive health insurance as a result of this. There will be the incredible tax cuts for working men and women. For small businesses, they, too, will receive significant tax credits so that they can provide insurance for their employees. And there will be programs to promote wellness. There will be programs to create better information technology so that we don't have to waste money every time you present yourself with a different doctor. And you have the freedom to choose your own health insurance company, and your health insurance company no longer has their freedom to deny you benefits and coverage. There are serious insurance reforms in this.

Finally, I just want to add, I have seen this sign so many times around the Capitol, so many times, and it says, ''We the people.'' Those are the first three words of the preamble of the United States Constitution. And it goes on to say, ''We the people of the United States, in order to form a more perfect union.'' That is what we're doing here. A more perfect union within our families so that we don't have to fear bankruptcy and the loss of health because we have no health insurance; a more perfect union in our communities so that everyone in our communities has health care and access to health insurance.

It establishes justice.

Thank you so very much.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAFFEI). Members are reminded that it is not in order to address remarks to those outside the Chamber.

TEXAS SAYS ''NO'' TO HEALTH REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes as the designee of the minority leader.

Mr. BURGESS. I came to the floor of the House tonight because I want to share with the House a letter I received from the Texas Medical Association.

The letter says, ''On behalf of the nearly 45,000 physician and medical student members of the Texas Medical Association—and on behalf of our 25 million patients—we are writing to express our opposition to the health reform bill (H.R. 3590) that will be before