

Currently, there are 37 million Americans enrolled in Medicare, and 205,000 of them are New Mexicans. Today, 99.1 percent of all Americans over the age of 65 have health insurance coverage, primarily due to Medicare. The poverty rate for aged Americans has fallen by nearly 50 percent since Medicare's inception, and this is largely attributable to the fact that seniors receive effective preventive and acute health care at reasonable costs.

We must accomplish the difficult task of extending the life of Medicare, and it should not interfere with our commitment to balance the budget. But we also must examine the effects of current proposals carefully. In our rush to achieve ambitious goals, we cannot overlook the economic and social importance of adequate health care for seniors and the continued viability of local hospitals.

I commend to you the following article, written by Dr. Lyle Hagan of my district, which outlines the serious impacts current proposals will bring about.

STORM LOOMING FOR MEDICARE

(By Dr. R. Lyle Hagan)

On July 28, 1995 Medicare will celebrate its 30th birthday. As we all know, Medicare is a U.S. Government program that provides medical care for the nation's elderly. In addition Medicaid—a government administered program, provides medical services to the poor; financed jointly by Federal and State governments.

During the past several weeks, Congress has been deeply involved in cutting costs in all areas of government administration. Congress has established a Budget resolution for the fiscal year 1996 (FY 96).

The American Association of Retired Persons (AARP) fully supports deficit reduction, but it also believes that deficit reduction should be fair and balanced. The (FY 96) Budget Resolution proposes to take nearly half of the deficit reduction in the next seven years out of Medicare and Medicaid. In both programs these are the largest cuts ever proposed.

In 1995, the average older beneficiary will spend about \$2,750 out-of-pocket to cover the cost of medicare premiums, deductibles, coinsurance and the cost of services not covered by Medicare.

Under the Budget Resolution (FY 96), an average beneficiary would end up spending a total of about \$29,000 over seven years—an increase of about \$3,400. To achieve the medicare spending reductions in these proposals, costs that are currently paid by the Medicare program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductibles and coinsurance.

These could include: a higher medicare Part B premium; an increase in the annual Part B deductible to \$150, indexed to program growth; a new 20 percent home health insurance; a new 20 percent coinsurance for skilled nursing facility care; a new 20 percent lab coinsurance and a new income-related premium for higher-income beneficiaries.

All of these options have been under review in the Congress this year. Currently, the Part B premium intended to approximate 25 percent of Part B costs. In 1995, the premium is \$46.10 per month, \$553.20 annually. It is estimated to grow to \$60.80 per month, \$729.60 annually by 2002. The premium is deducted from most beneficiaries' social security checks. The remaining 75 percent of Part B costs are paid from general revenues.

Under the proposal by FY 96, the Budget resolution could substantially increase the Part B premium paid by medicare beneficiaries thereby shifting higher health care costs to medicare beneficiaries. Under the

proposal, the premium is estimated to jump to \$97.70 per month, or \$1,172.40 annually by 2002. That is \$442.80 more than the beneficiary would pay under current law. Over the next seven years, most medicare beneficiaries would pay an estimated additional \$1,590 for the Part B premium alone.

The FY Budget resolution includes the largest Medicaid reductions in the history of the program—\$182 billion in savings over the next seven years. In the year 2002 alone, the budget proposal would reduce projected federal medicaid spending by \$54 billion, a reduction of about 30 percent below what the government estimates it will cost to run the program delivering the same services and benefits that it does today.

Medicaid is the health and long-term care safety net for vulnerable children, older and disabled Americans. More than four million older Americans depend on medicaid for coverage of preventive care, prescription drugs, nursing home and home community-based long-term care. In addition, more than 15 million low-income children are covered by Medicaid.

How individual states would respond to the proposed cuts would vary by state, but some things are clear. It is unlikely that states would raise taxes or shift money to make up for the federal reductions. According to estimates by the urban institute, in the year 2002, more than eight million Americans could lose their medicaid coverage as a result of these proposed reductions.

Senior citizens may ask their Senator or Representative in Congress about Medicare and Medicaid cuts and how they will affect their future health and medical care.

INTRODUCTION OF THE ERISA CHILD ABUSE ACCOUNTABILITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1995

Mrs. SCHROEDER. Mr. Speaker, I am introducing the ERISA Child Abuse Accountability Act. This bill is a natural extension of legislation that I introduced last session, the Child Abuse Accountability Act, which Congress passed and President Clinton signed into law, Public Law 103-358.

The ERISA Child Abuse Accountability Act amends the Employment Retirement Income Security Act [ERISA] to allow victims to collect monetary awards from their abuser's pension. As a result of last year's legislation, victims of child abuse can now collect from an abuser's pension if it is a Federal pension. The ERISA Child Abuse Accountability Act allows victims to collect from private sector pensions as well.

It is vital that we, as a nation, dedicate ourselves to protect the welfare of our children and guarantee that anyone who commits a crime against them is held accountable. That is what The ERISA Child Abuse Accountability Act does.

The children who survive abuse face a lifetime of scars, both physical and mental. Some of these survivors turn to our court system to hold their abusers civilly accountable for their crimes. They endure traumatic trials, reliving the years of torment in order to hold their abusers responsible. Tragically, vindication by a court is only the beginning of the struggle for countless victims. Even after a court finds the abuser guilty and awards the survivor com-

ensation, our laws prevent satisfying a court order with money from a pension.

This bill ends this injustice by creating a right to payment to satisfy a child abuse judgment. Under current law, private pensions are already accessible for child support and for spousal payments. This bill adds child abuse compensation as an obligation that must be met.

We hear a lot of talk in this body about protecting children and victims. But the fact is, there are laws that Congress has passed that protect abusers and prevent justice for victims. If we do not change those laws, our words ring hollow. I urge Members to support this bill.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

SPEECH OF

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes:

Mr. REED. Mr. Chairman, it is with great concern for veterans, seniors, the poor and our environment that I rise in opposition to the VA, HUD and Independent Agencies Appropriation bill for fiscal year 1996.

This bill before us is an ill-conceived, mean-spirited attack on the most vulnerable citizens in America. While those may sound like harsh words, here are the harsh figures; a 50-percent reduction in funding to fight homelessness, \$400 million less for section 8 operating costs and a \$1.2 billion cut in modernization funds for public housing. For veterans, there is \$250 million less than what the VA said is necessary to maintain the current service level and quality for medical care and \$500 million less in administrative and construction costs. The EPA budget is cut by a third, resulting in no new cleanups and no funding for the safe drinking water loan fund.

Under this bill, Rhode Island would lose \$7.7 million in rehabilitation and repair funds and \$2 million that maintains 10,401 public housing units. In addition, our State, which last year assisted 4,910 people who came to emergency and domestic violence shelters, will lose nearly \$2.6 million needed to assist these people. Ironically, if this bill passes, more people will be homeless and need this type of help.

I am also afraid that the news for Rhode Island's veterans is equally discouraging. While some programs nationwide have been increased, veterans in southeastern Rhode Island will again wait for needed improvements. In 1990 the VA bought a building to consolidate VA services in Rhode Island. Now, that building is unoccupied and our vets are waiting for the promised consolidation. Unfortunately, because this consolidation is not funded, the Government will continue to pay rent