

[Mr. WELDON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon [Ms. FURSE] is recognized for 5 minutes.

[Ms. FURSE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

[Mr. METCALF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

[Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

HEALTH CARE REFORM UNDER THE KENNEDY-KASSEBAUM BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 30 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I would like to talk about health care reform, and particularly the effort that has been put into legislation and has been passed now in both houses that was sponsored in the Senate by Senators KASSEBAUM and KENNEDY on a bipartisan basis and here in the House by the gentlewoman from New Jersey, Congresswoman ROUKEMA, who is a Republican, as well as a number of Democrats.

This reform was essentially put into motion, I believe earlier this year, when President Clinton, in his State of the Union Address, called upon both the House of Representatives and the Senate to pass the Kennedy-Kassebaum

bill, as it has come to be called, in order to achieve incremental health care reform, particularly as it deals with what we call portability; that is the ability for someone to take their insurance with them if they change jobs or if they lose their job or become self-employed, and also with regard to preexisting conditions.

As many of my colleagues, I am sure, are aware, right now if one has a debilitating condition or some sort of health condition that would probably result in a greater amount of health care, many insurance companies in many States will simply not provide insurance to such an individual, even when they are willing to pay for it.

So President Clinton, who, as many of us know, was instrumental in trying to raise the attention of the American public and the Congress a few years ago to the need for health care reform and the need to provide more Americans with health insurance coverage, acknowledged in his State of the Union Address that although he had not been able to achieve a system of universal health care coverage, that did not mean that we should not try to move in an incremental way, in a small way, toward some health insurance reform.

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He called upon the Congress to pass the Kennedy-Kassebaum bill this session and indicated that he would sign it once it passed both the House and the Senate. If I could just say very briefly the Kennedy-Kassebaum bill essentially would make it easier for workers who lose or change jobs to buy health coverage, and it would limit the length of time that insurers could refuse to cover an applicant's preexisting medical problem. Hence, again, the main purpose of it is to increase portability for health insurance and to abolish the situation with those with preexisting conditions who would not be able to get health insurance.

Now, the Senate last week passed the Kennedy-Kassebaum health insurance reform bill unanimously, 100 to 0. Unfortunately, here in the House of Representatives, much earlier, a few weeks earlier, perhaps a month earlier, we passed a bill that included and added to the Kennedy-Kassebaum measure a number of controversial provisions that, I believe and I think are almost universally recognized, would doom the chances of this legislation becoming law.

Among the special interest provisions in the House bill are the so-called medical savings accounts, tax-free savings accounts from which participants could pay for everything but catastrophic health care costs. The problem with such accounts, although they may seem like a good idea on their surface, is that they would be a good deal only for the healthiest, wealthiest people in our health care system, those who do not have the high health care costs that they have to incur on a regular basis. But health insurance would in-

crease for the average American because insurance companies would be left with only sicker and more costly enrollees in their health insurance plans.

Mr. Speaker, so basically what the medical savings accounts do is provide a tax break, if you will, for the healthiest and wealthiest among us. That means that by dividing the insurance pool so that the healthiest and wealthiest Americans are taken out of the insurance pool, which relies on having all types of people in it, would be divided. The sicker and the poorer people would remain, which would result in the insurance companies having to raise their premiums.

Most important, though, in terms of what I believe the Republican leadership here in the House was trying to accomplish by adding these provisions, the medical savings accounts, to the Kennedy-Kassebaum bill, was essentially that they were trying to pay off, if you will, or provide a financial windfall for the Golden Rule Insurance Company, whose top executive has given Republican political committees over \$1 million in contributions in the last 4 years. Now, Democrats in the House offered a straightforward health insurance reform bill as a substitute for this more controversial bill with these added provisions.

The Democratic substitute would have prohibited many of the current unfair insurance practices which fail to protect individuals and families with significant health problems and make it difficult for small businesses to obtain quality coverage for their employees. The Democratic substitute would have made it easier for people who change or lose their jobs to maintain adequate health insurance coverage, just like the original Kennedy-Kassebaum bill. It also included a provision whereby the self-employed could deduct 80 percent of their health insurance costs.

Now, of course, when a bill passes the House and a different bill passes the Senate, they have to go to conference, and in the conference they come up with an agreement on what bill would finally come back to both House of Congress and be considered before it goes to the President. What we have to hope is that when this conference occurs that the conference committee will drop the controversial House provisions and send a bipartisan bill to the House or Senate floor for final approval that can pass.

Mr. Speaker, I wanted to go into, in the time that I have tonight, a little more detail about some of the differences between this House and the bill and why I believe very strongly that we must bring something very similar to the Senate bill, in other words the original Kennedy-Kassebaum bill, to the floor if we are ever going to see health insurance reform this year.

Let me comment a little bit on the politics, if you will, of the Republican leadership in the House basically would

profit because of the insurer, the Golden Rule Insurance Company that has ties with the Republican Party. Again, I do this not because I want to say terrible things about the Republican leadership but because I hope that by exposing what really is happening here, and that is to provide this big windfall to this particular insurance company, we will then allow that provision on the medical savings accounts to be dropped and will not come to the floor again and will essentially disappear. But let me talk to you a little bit about this Golden Rule Insurance Company that basically will profit from the medical savings account provision.

Now, this is a health insurance company, as I said, with close political and financial ties to Republican leaders, OK? The company, the Golden Rule Insurance Company, sells a special type of health insurance that would have to be purchased by people with these tax-free accounts, the medical savings accounts. Many of the Democrats of course have denounced this as bad health policy. Essentially what we are saying is that the Republicans are doing this to reward the Golden Rule Insurance Company. Its former chairman, J. Patrick Rooney, basically his father founded the company. His family still controls it.

If I could just make some comments about or take some quotations from a New York Times article Sunday, April 14 of this year that talked about the Golden Rule Insurance Company. I will specifically make reference to one of my colleagues, Representative CYNTHIA MCKINNEY, a Democrat of Georgia, who asked on the House floor when this bill came up why medical savings accounts were included. She said: You just follow the money.

The Golden Rule Insurance Co. has given more than \$1.4 million to the GOP, and, coincidentally, Golden Rule just happens to be the premier company peddling medical savings accounts. Common Cause, the public affairs lobby, said that Mr. Rooney and John M. Whalen, the Golden Rule's president, had given more than \$117,000 to GOPAC, the political action committee that helped Mr. GINGRICH take control of the House. And Golden Rule, interestingly enough, has resisted efforts by several States to require the sale of health insurance to all applicants and to limit premium variations.

Although we are trying to accomplish certain goals with health insurance reform here in the House on the Federal level, the bottom line is and in many States, including my own State of New Jersey, there have been efforts to try to eliminate preexisting conditions as a means for health insurance and also to encourage portability. But Golden Rule has resisted efforts by several States to require the sale of health insurance to all applicants. In fact, when New Hampshire was considering such legislation in 1993, State Senator Jean Shaheen, a Democrat, issued a news release saying that Golden Rule

represents everything that is wrong with health care in America. She asserted that the company had resorted to lies and half-truths, telling policy-makers their premiums would soar.

In Kentucky, another State that was considering this legislation, State Representative Ernest Scorzone, a Democrat, said the Golden Rule had run a campaign of disinformation, misinformation, and outright deception.

Mr. Speaker, what we are trying to point out is that Golden Rule, not only on a Federal level but also on a State level, has not been helpful in terms of the whole issue of health care reform, particularly as it pertains to the issues of portability and trying to abolish preexisting conditions, which are the hallmark, if you will, of the Kennedy-Kassebaum bill.

Now, one of the main reasons why I and others are concerned about these extra provisions that have been added to the House version of this health care reform is because we are totally convinced that these additions will imperil any possibility of getting health care reform or health insurance reform passed this year.

I think my colleagues understand that, in order to get something passed through the House and the Senate and finally passed by the Senate, signed by the President, you have to have a consensus. You have to have agreement. If you have some basic provisions, like we are trying to make it easier for people to transfer their insurance between jobs, or that we do not want preexisting conditions to be a basis for whether or not you get coverage, it is fairly easy to get a consensus on those provisions in the Kennedy-Kassebaum bill. But if you start loading this legislation up with the medical savings accounts, with malpractice reforms, with myriad other things, many of which have been included in the House version, then you will never get the health reform insurance passed in time.

Mr. Speaker, we only have another probably 6 months before the election and the new Congress. This is one thing that we can get passed on a bipartisan basis, and we should try to do so. Senator KASSEBAUM, a Republican from Kansas, has repeatedly warned that, if House Republicans are successful in getting MSA's, the medical savings accounts, approved in the final conference report, the result could devastate health insurance. She said, and I quote: "I would hate to see them included by design to a certain extent to take down the legislation."

Again, we know that, if these controversial provisions are added, that there is a real possibility we will not have health care reform passed in this Congress. Let me also point out that it was not just the medical savings accounts that were added in the House. There were other provisions as well. In the New York Times, an editorial just in the last week on April 23, 1996, said that there were three unfortunate provisions, that the conference committee

should strike three provisions in the House version, that the conference committee should not include if this bill is eventually to become law.

First, they mentioned it imposes arbitrary caps on financial rewards for malpractice suits, thereby protecting doctors from patients who have been needlessly disfigured or worse. Whether or not you agree with malpractice reform, it should not be in this bill because it makes it more difficult for this bill to pass. Second, it would provide a tax break for medical savings accounts, and again the New York Times is critical of the medical savings accounts because they say that it will basically give tax breaks to the wealthy and healthy, divide the insurance pool and increase premiums for everyone else.

The third flaw they mentioned in the House then is a provision to encourage small employers to band together into purchasing cooperatives that would be allowed to steer clear of chronically ill applicants. The Senate bill on the other hand encourages small employers to form purchasing cooperatives but under rules that would prohibit discrimination. What the New York Times said is the conference committee should essentially adopt the Senate bill, and that would accomplish a lot because it would make it possible to get this bill finally passed.

Now, lest my colleagues think that we do not have anything to worry about and that in fact the conference committee, when it meets, is going to report out a clean bill, like the Senate version without the medical saving accounts and these other riders that would make it more difficult to pass, let me assure you that there are a number of forces out there that are working very hard to get the medical savings accounts, these tax breaks, if you will, for the healthy and the wealthy, included.

First of all, in today's Wall Street Journal there was an editorial that strongly urged Presidential candidate DOLE to move ahead and insist that the conference include medical savings accounts. He, the Republican Presidential candidate, has sworn that he will back MSA's, the medical savings accounts, in the health bill. In fact, it has been very difficult for the other body to actually appoint conferees to this conference committee because the Republican Presidential candidate is in fact trying to assure that proponents of medical savings accounts are included in larger numbers in the conference committee.

So clearly, clearly there is an effort not only in the media or certain media but also amongst the Republican Presidential candidate and his supporters to try to get these medical savings accounts, these tax breaks, as I said, for the healthy and the wealthy included in the Kennedy-Kassebaum bill which would ultimately make it impossible to pass any health care reform.

Mr. Speaker, I just wanted to point out, if I could, in some of the time that

I have remaining, that for those who say, well, this is only a small reform, this does not address the larger issue of affordability for health insurance or the fact that so many millions of Americans now have no health insurance, well, that is true. And I would be the first to recognize the fact that we continue to have a problem with fewer and fewer people able to afford health insurance, and as a consequence more and more people do not have any health insurance. In fact, the Democratic Party, my colleagues on the Democratic side in the House, formed a health care task force, which I happen to be one of the cochairmen of last year. We put forward a set of Democratic principles on health care reform. Our two major principles are that we want to achieve more affordable health insurance and we want to expand the number of people in this country that have health insurance.

I would maintain that the Kennedy-Kassebaum bill in its pure form or in the form that passed the Senate does help in an incremental way to provide more Americans with health insurance, maybe 20, 25 million Americans who will be positively impacted by it. So, while we see the numbers of people who are uninsured continue to go up, we know that this bill, although modest, would help in the effort to try to cover more Americans and provide more Americans with health insurance.

Mr. Speaker, we also know that, if it is passed in its clean form and the way the Senate passed it without the medical savings accounts, that it certainly would not make health insurance less affordable. If in fact you include the medical savings accounts, in fact, that is what would happen. Health insurance would become less affordable for the average American.

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Just in case, again just to give you an idea about the magnitude of the problem that we face in trying to achieve more coverage for Americans, just in my own home State of New Jersey within the last 2 weeks a new report came out, 124-page Healthy New Jersey 2000 report, that actually was released last month, and if I could just summarize some of the information that shows that the percentage of uninsured New Jersey workers, and I am talking about working Americans, working new Jerseyans, actually doubled in the last 4 years. This latest report statistically shows that 14.6 percent of New Jersey's full-time employed workers had no health insurance coverage in 1993, twice the percentage that was uninsured in 1989. About 15.5 percent of the overall population under the age of 65 was without insurance in 1993, working or not, up from 11.7 percent in 1989. That is about 1.1 million New Jerseyans. Now, you take that across the country. You will probably find about 40 million Americans now who do not have health insurance coverage, and the number continues to grow.

The statistics are even more significant when you look at minorities. The rate of insurance coverage is worse for blacks, among whom one in five is without coverage, insurance, and for Hispanics, among whom one in three is uninsured. And these figures take into account the fact that Medicaid covers the poorest families and the disabled, so we are primarily talking about working Americans because if you are below a certain income, you are eligible for Medicaid. But many people are not, and of course those are primarily working people.

I only mentioned that because again I feel very strongly that even though in the Kennedy-Kassebaum bill we are talking about a modest effort to try to increase the availability of health insurance to Americans, I think even that modest effort needs to be moved forward, and it is very wrong for the Republican leadership here in the House of Representatives to stop that reform from moving forward just because they want to include these medical savings accounts for special interests that support them. And even if they honestly believe that that is the way to go, they should drop the effort because it is going to make it virtually impossible for us to get this health insurance reform passed in this session of Congress.

In conclusion, Mr. Speaker and my colleagues, if I could just say as this health insurance reform, as the Kennedy-Kassebaum bill, goes to conference, the Republicans need to drop these controversial provisions and stop dragging their feet so we can get a bill passed this year, this Congress. I urge the House Republican leadership to follow the Senate lead and strike the special-interest tax-free accounts for the healthy and the wealthy.

The Republican leadership needs to quit stalling and pass bipartisan health insurance now so it can go to the President's desk and he can sign it, and we can all declare victory for the average American and help those people who find it more and more difficult to buy health insurance.

SUPPORT H.R. 2270

The SPEAKER pro tempore (Mr. GUTKNECHT). Under a previous order of the House, the gentleman from Arizona [Mr. SHADEGG] is recognized for 5 minutes.

Mr. SHADEGG. Mr. Speaker, I rise tonight to address an issue of what I believe is of grave concern for this Nation, and that is an issue dealing with the fundamental law of the land.

I hold here the Constitution of the United States, and all of us as individuals learned about this document and studied it in grade school and high school civics. Some of us might have even gone back since then and read a provision or two. I want to focus on the importance of this document and on the importance of an issue that I think has become abused.

Mr. Speaker, this document sets forth the vision of our Founding Fathers for a powerful central Government, but with limited and specifically enumerated powers. Now, why did they spell out that? Why did they say that it should have certain powers and that they should be significant powers, but that they should be limited and specifically enumerated?

Well, if you reflect on your history, you will realize that the Founding Fathers of this Nation had themselves recently escaped an oppressive central Government, a central Government which took the form of a king, a king who could at will order whatever he wanted and command or demand what he chose. The Founding Fathers, fearing that we might return to that system, felt we should spell out in a single document which would bind the Nation forever those powers granted to the Federal Government and that they should be adequate and complete for that Government to do its jobs.

But they recognized that there were many States which would make up this Union and that those States would play a fundamental role, and they addressed and they considered the division of power between the Federal Government on the one hand and the States on the other, and to address that concern they spelled out in an amendment, which I want to call to the attention of my colleagues here in the House, the 10th amendment, which reads, and I think it is important for us to understand what it reads and to think through its meaning, the 10th amendment to the U.S. Constitution addresses this issue of what level of Government should exercise which powers. And it says specifically:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

Now, Mr. Speaker, many of those in my freshmen class were elected on a platform that has to do with that, the 10th amendment to the U.S. Constitution. We have watched through our lifetimes, and I have watched through my lifetime, as the Federal Government located here in Washington, DC, thousands and thousands of miles from my constituents at home in Arizona, has sought to bring to itself more and more and more power, and in doing that what it has done at the same time is to reduce by ever-growing amounts the power and the authority of all the good men and women who serve in State legislatures around this Nation, all the good men and women who serve on county boards of supervisors or city councils. Indeed as the Congress has arrogated unto itself all this power, it has left less and less power for individual citizens of this country.

Now, why should that be of concern? It really is kind of simple, and that is what this boils down to: The truth is my constituents back in Phoenix, AZ,