

primarily for low income individuals. Right now 36 million Americans receive Medicaid Benefits. Twenty-six million of them are poor children and adults. But, again, when you talk about Medicaid, the majority of the money is spent on nursing home coverage for senior citizens.

So I want seniors to understand that even though Medicaid is for low income seniors, most of the money goes to pay for nursing home care for seniors, many of whom have spent the amount of money they saved for nursing home coverage and then have to go on to what we call Medicaid coverage to pay for the nursing home care.

What we are concerned about here is when you block grant Medicaid under the Republican proposal, and you basically leave it up to the States to decide what to do, large groups of seniors citizens may no longer be eligible for nursing home care, or, if they are eligible for nursing home care, the level of services that is going to be provided to them under Medicaid will be significantly reduced.

Basically states could opt to drop the number of patients they cover, which would cause the number of uninsured Americans to swell, and, if that happens, the Urban Institute predicts that 4 to 9 million Americans will lose health insurance coverage, and every American could feel the effect of these cuts as states are forced to raise other taxes or as insurance companies raise premiums to make up for the increased costs.

So essentially what we are saying is even though you might say to yourself, what does it matter to me if low income people are no longer eligible for Medicaid, it does not have any impact on me, but it could easily have impact if states decide to continue coverage for those individuals because they feel an obligation to, and, therefore, you state taxes or other taxes could rise as a result of the fact that there is a shortfall in the Federal dollars.

I just wanted to read a quote, if I could, because I thought it was such a good one, from the Washington Post back in December, December 12 of last year, when this whole battle over Medicaid was on the floor of the House and was being considered for the last time in a significant way.

What the Post said, on Tuesday, December 12, about the Medicaid block grant, they said:

The Republicans want to go to a system of block grants, cut projected Federal spending sharply, cut what the States must put up to get their Federal funds, and largely let the States decide how and on whom the money will be spent. This would pretty well eliminate the Federal guarantee that the needy, young, and elderly could count on a certain level of care. Medicaid is not just a major Federal cost and major source of aid to state and local governments. It is an insurer of last resort in the health care system. Medicaid needs to be preserved to protect the vulnerable. The alternative is even more people uninsured. The poor, the States and hospitals and other institutions that serve the poor would all be stranded. This fight is not

just about the Federal budget and the Federal role. It is about that.

I need to stress that, Mr. Speaker. We are not just talking about the budget here. I bristle every time I hear that Medicare and Medicaid have become the subject of the battle over the Federal budget, because the bottom line is that this whole Republican proposal to cut Medicare and Medicaid is strictly budget-driven. They are not out to preserve and protect Medicare and Medicaid, they are trying to save money, and they are trying to save money primarily to pay for these tax breaks for wealthy Americans.

I believe very strongly that the whole Medicare and Medicaid debate and any changes to it, any changes to those programs, should be considered outside of the whole budget debate and should be considered separately, but they are not. The Republican leadership constantly brings it up in the context of the budget debate.

I see that my colleague from Ohio, is here and I would certainly like to yield to him.

Mr. KINGSTON. Did the gentleman find some time now to yield, now that we are yielding?

Mr. PALLONE. You have your time on the Republican side of the aisle, after I am done.

Mr. KINGSTON. I will be happy to yield back to you.

Mr. PALLONE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the leadership the gentleman has shown in this issue, not just this year but last year. This is sort of "There you go again with the Gingrich budget," or "The same old song," or whatever that we saw in 1995, last year, we saw the same kind of budget, Medicare cuts, Medicaid cuts, student loan cuts, cuts in environmental protection and environmental laws, all in order to pay for tax breaks for the richest people in the country.

Clearly with this budget, it is simply not much different this year than last year. Last year the American people rose up and said no to Medicare tax cuts for the wealthy, no to Medicaid cuts and student loan cuts of \$5 billion in order to give tax breaks to the wealthy, and this year the Gingrich crowd, Gingrich extremists, are basically doing the same thing, trying to sneak in the back door while some of these other issues are going on, trying to sneak in the back door in making these cuts so they can give major tax breaks to the wealthiest people in the country.

The real key I think is what you said, Mr. PALLONE, that they talk out of both sides of their mouth. Speaker GINGRICH himself said that we are trying to save Medicare, yet a year ago, some 6 or 8 months ago, speaking to a group of insurance executives, who stand to make a whole lot of money under the Gingrich Medicare plan, he said, "We do not get rid of Medicare in round 1 because we do not think that is politically smart."

Then he goes on to say, "We believe under our plan Medicare is going to wither on the vine." That is clearly what he thinks about it.

Then the Speaker says, "We are going to save Medicare. This plan is to save Medicare." Obviously it is not. This plan is to weaken Medicare, because he did not believe in it in the first place. As you said, the same with the Senator DOLE, that he saw the same thing, that he was against Medicare 30 years ago as a young House Member, and now that he voted against it then, he led the fight then, he does not want to see that kind of thing happen today.

ANNOUNCEMENT OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The Chair would remind all Members that remarks in debate may not include personal references to Members of the Senate.

□ 2300

Mr. BROWN of Ohio. Mr. Speaker, does that mean I cannot mention Speaker GINGRICH?

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Members of the Senate.

Mr. BROWN of Ohio. Mr. Speaker, I apologize for that.

At the time about 30 years ago, then Congressman DOLE said that Congress—

Mr. KINGSTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from New Jersey [Mr. PALLONE] yield for a parliamentary inquiry?

Mr. PALLONE. I do not, Mr. Speaker. We are just doing special orders. There is no parliamentary inquiry.

Mr. BROWN of Ohio. I would say compliments to Mr. PALLONE on his leadership, not just last year but it seems that we are having the same debate this year. Last year the voters said no to the Gingrich plan of Medicare cuts and Medicaid cuts and draconian student loan cuts in order to give a tax break to the wealthy.

This year it is the same old song. It is coming back saying let us do it again. Last year, Speaker GINGRICH shut the Government down in order to try to get his Medicaid cuts and Medicare cuts and student loan cuts and weakening environmental laws in order to give tax breaks to the rich. He shut down the Government trying to get his way, and clearly the voters and the people of this country said that is not the way it ought to be. He gave up and now he is trying it again.

I cannot believe that we are going to have to go through this same debate. I hope that Speaker GINGRICH is not going to go so far this year that he threatens a Government shutdown to make Medicare wither on the vine and in order to get Medicare and Medicaid

and student loan cuts, because clearly the country does not want to see this health care program—30 years ago, 50 percent of the elderly in this country had no health insurance. Today, only 1 or 2 percent have no health insurance. It has been a success.

We have to get costs under control, but we do not let the program wither on the vine. And on student loan cuts, it makes no sense because we as a nation have to compete globally. We cannot see middle-class students charged \$5,000 per student more for a 4-year college education in order for Speaker GINGRICH to take that money from the cuts in student loans and giving it to tax breaks for the rich. It is not to balance the budget, but to give tax breaks to the wealthiest people in the country.

Mr. PALLONE, I applaud your work in opposing this budget rerun as we had a year ago that ended up in a Government shutdown trying to get tax breaks for the richest Americans and gutting the programs that matter to our parents and grandparents and to students.

Mr. PALLONE. I thank the gentleman from Ohio [Mr. BROWN] for joining in this debate tonight. If I could just inquire, because of the way the time was split, we have approximately 15 minutes left?

The SPEAKER pro tempore. Yes.

Mr. PALLONE. OK. Thank you, Mr. Speaker. I wanted to, if I could, comment on a couple of things that the gentleman from Ohio said, because I think they are really crucial. One is this concern that you have, which is extremely legitimate, over the fact that the number of uninsured, the number of people that have no insurance in this country continues to rise.

We know that that was one of the major reasons why President Clinton sought to address the health care crisis, if you will, in the last Congress because the number of people that have no health insurance in this country, and we are talking about all kinds of people, primarily working people, continues to go up.

One of the impacts, if you will, of cuts in Medicaid, is that the number of uninsured will go up even more so because Medicaid traditionally, and really progressively over the last 20 years, has been expanded to cover more and more people. One of the major concerns that I have about this Republican proposal that was unveiled today is that by discouraging the States essentially from matching, actually, I think not even allowing them or not expecting them, I should say to match the Federal Medicaid dollars to a 50-50 basis, what you do is actually have the amount of money that is spent on Medicaid decreased significantly, Federal and State dollars.

That is going to mean that a lot of children and elderly who are now insured and covered by Medicaid will not be covered anymore, and therefore will increase the ranks of the uninsured. I yield again to the gentleman.

Mr. BROWN of Ohio. Medicaid cuts across a broad section of people. It is poor children. It is also the elderly in nursing homes and it is also hospitals similar to the one I visited in Cleveland some months ago called Health Hill Hospital. It is a hospital where young people typically from under 18, not young children, who have been in a car accident or had some major traumatic injury, often head injuries, and their medical bills are \$5,000 or \$10,000 a month. They are often from middle-class families, but no middle-class family can pay that kind of medical cost, nor does their insurance very often cover that for more than a few months or a year or so.

It is things like that that can happen to all kinds of middle-class families and those major cuts in the Medicare for the elderly and Medicaid for so many others are so troublesome. But it is not just the dollars with Medicaid, it is also from the Gingrich plan last year in Medicaid. It took away the standards for nursing homes that President Reagan and the Congress in the mid-1980s enacted in response to oversaturation of nursing home patients, in response to problems of safety in nursing homes where some older people were either, as I said, oversaturated or restrained in their beds, and it took away these standards that both parties agreed to in the 1980s. And that is what is so troublesome.

There is consensus that Medicare and Medicaid makes sense for almost all of the American people. Almost all of us agree to that, both parties in the 1980's and both parties in the 1970's and both parties in the 1960's when they were created. Yet today this extreme Gingrich faction that is running this Congress says we want to not only cut these programs and let them wither on the vine; we want to take away the safety standards in nursing homes that mean so much to older people to make their lives a little better in the last 1 or 2 or 5 or 10 years of their lives and to take away the protection that people that your age, Mr. PALLONE, and my age have if our parents are in nursing homes that we will not go bankrupt in order to keep them in a nursing home to do that, or that we will not have to choose between do I put my mom and dad in a nursing home or do I pay for a children's education? Particularly with the student loan cuts.

To put Americans in that position where 40 or 50-year-old adults have to make choices between their parents or their children or where the protection is taken away, if in 20 years or so or 30 or 40 years I have to put my wife, or I would have to go in a nursing home, would my wife not even be able to live in the house that we live in at present? That sort of situation simply does not make sense.

Surely, again, we have to get these costs under control, but we do not let these programs wither on the vine and we do not take away this health care system that has worked for so many

people in this country and today their lives are better. People that paid their taxes and raised their children and played by the rules and signed a covenant, they expect after paying into Medicare all of these years that they will have that health program for themselves and their family.

Yet Speaker GINGRICH want its to wither on the vine and not see that program anymore. I do not think it makes any sense. I do not understand why they want to rerun this debate that clearly the American people rejected in 1995 and are going to reject this year as long as people know about it and they cannot sneak it in the back-door.

Mr. PALLONE. Exactly. I just wanted to point to two surveys that were done, one involving the Medicaid safety net for children and the other for nursing homes. And just very quickly this is from an article that was in the Washington Post last November that says, "Medicaid safety net for children could be imperiled." It was a report by the Journal of the American Medical Association. It said, "From 1992 to 1993, an estimated 3 million children lost private health insurance as people lost jobs or employers stopped providing health insurance."

But until now, increases in Medicaid coverage resulting from past legislation, congressional legislation, that broadened eligibility under Medicaid basically offset the fact that a lot of people lost their jobs and their children are no longer covered by health insurance. For example, they said that in 1988, 66 percent of all children under age 18 had health insurance based on the employment of a family member and 16 percent were covered by Medicaid, but in 1994, the share with employer base health insurance had propped to 59 percent and the Medicaid to 26 percent. So even though people were losing health care coverage for their children because they were losing their jobs in the last five or 6 years, because of the expansion of Medicaid coverage for children under Federal guaranteed entitlement status. Most of those children continued to be covered by health insurance under Medicaid, but now if we block grant this to the States that will not be the case anymore.

Another study, this is from the New York Times back in November 1995, that pointed out how the Republican budget would create a shortage of nursing home beds for the elderly, and it says an array of advocates are warning that the Republican budget would put extraordinary strains on the Nation's patchwork system for paying for nursing homes. The chief threat comes from the Republican cuts to Medicaid. Critics say the changes proposed by the Republicans could diminish the availability of nursing home beds for all but the richest Americans, as well as its quality of care within those institutions and the amount of assistance available for care at the nursing home

and would come apart when the over 85 population is projected to grow by 40 percent.

Again, the same way the number of children who did not have private health insurance was growing, the number of seniors who need nursing home beds is growing, and here we are at the time when these populations and needs are growing and those people would become uninsured and not have coverage. We are talking about block granting and providing less money to the States for the very coverage where there is more need. What you are pointing out is exactly on point.

The other thing that I wanted to mention that you talked about is this whole notion that somehow the Republicans, GINGRICH and the others, are saying what we are really doing here is protecting Medicare because it is going to go insolvent and so we have to implement these cuts in order to make Medicare solvent 5 or 6 years from now.

Again, I would say nothing could be further from the truth. I mean, these cuts are not being implemented in order to protect Medicare. These cuts are being implemented to give the tax breaks for the wealthy. And the President in his budget resolution, in his budget that he proposed earlier this year, guarantees the life of the Medicare Trust Fund for at least a decade. His budget proves that the Republican Medicare cuts, the damaging changes that we have talked about, are not necessary to balance the budget. There is over \$120 billion remaining in the trust fund and there is no imminent danger that claims will not be paid. And although the trust fund did not perform as well as projected in 1995, the difference between the actual and projected performance was within the typical margin of error and has been incorporated into budget projections.

Every year minor adjustments were made to make sure that the trust fund would remain solvent for the next decade. Democrats continued to do that. The President did that back in 1993. His health care reform would have expanded the life of the trust fund significantly. This is just an excuse, and I know you mentioned that. And I would not be surprised if our colleagues on the other side are going to suggest this again later tonight, that somehow GINGRICH and they are protecting the trust fund from insolvency. It is not true.

Mr. BROWN of Ohio. It is so important that Americans not be fooled by GINGRICH saying that we just want to protect Medicare by the next round of speakers trotting out their articles from conservative, generally pro-Republican newspapers, saying they just want to protect, whether it is the Washington Post or the Washington Times, that typically support the Republican agenda, the Wall Street Journal, to say that we are just trying to save Medicare. The Medicare cuts are for tax breaks for the wealthy, as have you said over and over, Mr. PALLONE,

and as the voters clearly, and the public clearly understands from last year, when GINGRICH tried to do this before.

And it is clear that the Gingrich crowd here, the far right of the Republican Party that has supported all of this and pushed all of this, they have never believed in Medicare. They voted against it 30 years ago. Last fall the presumptive nominee of Speaker GINGRICH's party has said, "I was fighting the fight 30 years ago because we knew Medicare would not work." Speaker GINGRICH last fall himself said, "We just want it to wither on the vine. We cannot politically afford to get rid of it in round one, because the public will not stand for it."

They have never cared about Medicare. They voted against Medicare for 30 years, most not the middle of the Republican Party. But because that was the consensus, that Democrats and Republicans alike realized that the public supports Medicare, because that far right of the Republican Party that Speaker GINGRICH is so close to and that really runs things, and particularly the freshmen, all of them have clearly shown their opposition to Medicare year after year after year after year and that part of the party clearly does not support it.

They still do not support it. They will trot out newspaper articles showing how responsible they are, but it is obviously tax breaks for the rich and watch Medicare wither on the vine. That is what they are about. That is what they want to do.

They have a Washington Post article they will use, a newspaper that supported the Gingrich agenda time after time. It has a reputation of once being a more moderate paper with an editorial board made up of people that are conservative and do not support these programs, but representing the far right of that party.

Speaker GINGRICH's comments about Medicare that he wants to see it "wither on the vine" and "it is tax breaks for the rich" tell the whole story. They are simply not interested in saving this program but in gutting this program and in seeing it wither away.

Mr. PALLONE. I agree. I know our time is almost over here, but again if it were really true that they were concerned about the Medicare program, they would deal with it separately from the budget. They would not use the cuts in Medicare and Medicaid as a reason, if you will, or as the basis for these tax breaks that are provided in this new budget that they are trotting out. And even more important, they would not make the changes, the substantive changes in the Medicare program and the Medicaid program that we talked about this evening.

What they are doing is trying to push seniors into managed care, to deny them the choice of their doctors or their hospitals. They are including these balanced billed provisions that will force seniors to pay more out of pocket for the health care. All of these

major structural changes in Medicare are being implemented and those are being done under the aegis or with the excuse that somehow they are trying to preserve Medicare as we continue, and it is just the opposite.

□ 2315

Mr. BROWN of Ohio. The medical savings accounts that the Speaker has extolled, the virtues, over and over and over again, as an idea of a big insurance company, major contributors to the Speaker that salivate over the prospect of getting to write all this insurance for a Medicare program that is withering on the vine. It means major income to them, major costs to senior citizens to pay for a tax break for the wealthy.

Mr. PALLONE. In fact, the Congressional Budget Office has clearly indicated that medical savings accounts will actually cost more money to the Federal Government. So if you are talking about trying to save money, that clearly is not the way to go.

I want to thank the gentleman again for being here tonight.

THE REPUBLICAN BUDGET

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for the balance of the time remaining before midnight as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to say to my friend from Ohio over here that if the Washington Post is a conservative newspaper, then the Grateful Dead is a country and western band.

I also, in fact, before he leaves, I was going to ask Mr. PALLONE about one of these quotes that I had because I thought this was interesting, April 24, "well, let me tell you, Members, that this trust fund is not broke." I cannot believe that a Member of the House would say that, contrary to all the evidence. But it is interesting.

I want to make this point because I asked our Democrat colleagues three times if they would yield, three times was denied, and one reason that I think my good friends would not yield any time is they wanted to have free rein of one of their most specious mistruths that I hear them say. That is the quote that the Speaker said that Medicare was going to wither on the vine, when they know, because we have pointed out to them that that was in reference to HCFA, the Health Care Financing Administration in Washington, and that the Democrat Party has notoriously and maliciously misconstrued that quote.

The reason why they would not yield time is because it is easy to run your mouth about something or talk about something when there is no one there to challenge you. If either one of them wanted to come to the floor right now and debate this, I control the time, I