(Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING REVISIONS TO THE ALLOCATION FOR THE HOUSE COMMITTEE ON APPROPRIATIONS PURSUANT TO SECTION 2 OF HOUSE BUDGET RESOLUTION 477

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the Congressional Record revisions to the allocation for the House Committee on Appropriations pursuant to section 2 of House Resolution 477 to reflect $355,000,000 in additional new budget authority and $323,000,000 in additional outlays for continuing disability reviews. In addition, revisions to the allocation for the House Committee on Appropriations should reflect $20,000,000 in additional new budget authority and $12,000,000 in additional outlays for adoption incentive payments. This will increase the allocation to the Appropriations Committee to $532,954,000 in budget authority and $563,221,000,000 in outlays for fiscal year 1999.

As reported by the House Committee on Appropriations, H.R. 4274, a bill making appropriations for the Departments of Labor, Health and Human Services, Education and Related Agencies for Fiscal Year 1999 includes $355,000,000 in budget authority and $323,000,000 in outlays for continuing disability reviews. The bill also includes $20,000,000 in new budget authority and $12,000,000 in outlays for adoption incentive payments.

These adjustments shall apply while the legislation is under consideration and shall take effect upon final enactment of the legislation.

Questions may be directed to Art Sauer or Jim Bates at x6=7270.

RESULTS OF GOVERNMENT MEDDLING IN HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, we will soon pass some type of patients rights bill, and we need to do this. But it is really sad that it is necessary to do this.

Prior to the mid-1960s, medical care in this country was of high quality and very low cost. The cost was low and flat for many, many years. Then the Federal Government got into medical care in a big way and costs exploded and we got things like HMOs.

The government took what was then a very minor problem for a very few people and we turned it into a very major problem for everyone. Almost everyone, with the exception of Bill Gates and Warren Buffett, could be wiped out by some type of major medical catastrophe.

All the government has done is to do what it has always done best, make a very few filthy rich at the great expense to the very many.

Look at nursing homes. Those few who were lucky enough to get into the nursing home business, those favored enough to get nursing home licenses, have gotten rich because of government restrictions on the number of nursing homes and the overregulation that always drives small operators out.

The result: The cost of nursing home care is probably double or triple what it would be if the government had stayed out and had let the free market operate.

Medical care is the only thing we are paying for through a third-party payer system. If we bought cars this way, a Yugo probably would have cost $300,000. When someone else is footing the bill, cost no longer matters and everyone wants the most expensive product or treatment available. Thank goodness most of us are not paying for food through a third-party paying system.

A few years ago, I asked a hospital administrator in my district what would happen if the government got totally out of medical care. He told me that prices would go down 50 percent within days, and probably another 50 percent over the next 6 months. So, they would very quickly be 25 percent or less of what they are now.

Obviously, though, we cannot dismantle this overpriced and unfair system that we have now. Too many doctors, hospitals, and medical businesses would scream to high heaven if we did. So what should we do? Realistically, all we can do is reform around the edges and hope the system does not become even worse and even more expensive.

Medical savings accounts or medical vouchers would help some, because they would give people some incentive to shop around. But what I really want to do tonight is read a portion of a column from yesterday's Washington Post by James K. Glassman, who is consistently one of the very best commentators on the political scene today.

Mr. Glassman wrote, ''Employers today foot most of the bills for health insurance, so they determine the policies their workers get. As costs soared in the 1980s, employers turned to HMOs and managed care, restricting their workers' choices.

''Health insurance policies aren't really 'insurance'; their purpose is to prepay medical costs that are predictable or inexpensive, like checkups and flu visits. This is like auto insurance paying for an oil change. But since Uncle Sam is footing a big part of the bill, it makes sense for health 'insurance' to be all-inclusive, with low deductibles.

''Employees have little incentive to self-ration the care they get. Imagine a tax subsidy for food insurance, provided by your employer. You would naturally buy steak instead of chicken. Soon, however, the insurer would respond by limiting your steak-buying to once a month, or by forcing you to buy all your food at a specific grocery chain with no steak in its coolers. Given this restricted choice, you would probably rush to a politician to complain.

''The solution for health insurance is to end the tax subsidies, which currently cost the Treasury more than $100 billion a year. Instead, give that money back to individual Americans either through tax credits or rate reductions that would leave more money in their pockets. We should probably require everyone to have some type of catastrophic insurance (say, for expenses over $2,500), and the government should foot the bill for the poor through insurance vouchers (like food stamps).

''Then we would have a real market with far less paperwork and with people buying the sort of insurance they really want . . . not just what their employers force them to take. The final insult of the tax exclusion is that it mainly benefits those who need it least. The Lewin Group found that 64 percent of subsidies in 1996 went to families making $50,000 a year or more, while 11 percent went to those making less than $30,000.

''Instead of pandering to fear,'' Mr. Glassman wrote, ''politicians should level with voters. End the tax exclusion and let people buy their own health policies. Insurance companies, which benefit from billions in subsidies, might howl, but choices would broaden, costs would fall, and paperwork would be drastically reduced and the destructive cycle of excess, cutbacks in care, and political intervention would end.''

MANAGED CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am pleased tonight to be joined by two of my colleagues to talk about managed care reform, the gentleman from Texas (Mr. TURNER) and the gentleman from Pennsylvania (Mr. KLINK).

Before I yield to them, I wanted to talk briefly about the Republicans' managed care reform bill, which to be accurate I like to call the Insurance Industry Protection Act. The reason I bring this up is because it has been noticed to be debated and, theoretically, I suppose approved or disapproved on the floor this Friday.

This Republican version of managed care reform is in my opinion easily one of the worst pieces of legislation the Republicans have put forward since they took control of Congress in 1994.

For weeks prior to the introduction of the Republicans' Insurance Industry Protection Act, supporters of the Democrat's alternative, the Patients'