

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 444, BACK TO WORK INCENTIVE ACT OF 2003

Mr. HASTINGS of Washington (during the Special Order of Mrs. JOHNSON of Connecticut), from the Committee on Rules, submitted a privileged report (Rept. No. 108-518) on the resolution (H. Res. 656) providing for consideration of the bill (H.R. 444) to amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 83, PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES REGARDING THE APPOINTMENT OF INDIVIDUALS TO FILL VACANCIES IN THE HOUSE OF REPRESENTATIVES

Mr. HASTINGS of Washington (during the Special Order of Mrs. JOHNSON of Connecticut), from the Committee on Rules, submitted a privileged report (Rept. No. 108-519) on the resolution (H. Res. 657) providing for consideration of the joint resolution (H.J. Res. 83) proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives, which was referred to the House Calendar and ordered to be printed.

NEW PRESCRIPTION DRUG CARD PROGRAM TOO CONFUSING FOR SENIORS

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I listened both on TV and also here in the well in person to the previous Special Order delivered by my colleagues on the Republican side of the aisle. I realize that they are well motivated and have the best of intentions in trying to put forward this prescription drug discount card program, but I have to say that I never believed it would work or accomplish anything to help seniors with their drug prices. Certainly what has happened today and the fact that so few seniors have signed up is a strong indication that it is unlikely to be effective and that it is unlikely to even be tried by most of America's seniors because they realize it is not really going to do much in terms of offering them discounts or providing lower prescription drug costs.

I think AARP was quoted in The New York Times today saying that they only had 400 seniors nationwide from the membership of their organization

that had signed up for the prescription drug cards. Their card. What is that, about, I do not know, five or so per State? It is unbelievable how few. Overall, I think there was another group that said about a thousand seniors had signed up for their card. Most of the other card sponsors would not even give out numbers. But it is clear very few seniors are signing up for it.

I think it is also true that when the Republican so-called prescription drug benefit kicks in in 2 years, in 2006, we will have the same phenomena, very few people will sign up, because it really does not provide much of a benefit.

But before I get into the whole issue of the discount drug cards, I want to mention, because I think a lot of times we forget, that the Democrats in the Congress, when this prescription drug proposal was being put forward by the Republicans, basically had a very simple proposal. We recognized the fact that Medicare has not traditionally included a prescription drug benefit and that the best way to include such a benefit was simply to expand Medicare in the traditional way and provide for the prescription drug benefit.

So our alternative to the Republican proposal essentially followed the outlines of Medicare part B. I think most seniors realize that their hospitalization is covered by Medicare part A and their doctor bills are covered by Medicare part B. Medicare part B is essentially a voluntary program.

A senior pays, I do not know what it is now, say approximately \$50 a month for the coverage of their doctors' bills, with a \$100 deductible, a 20 percent copay, and with 80 percent of the cost provided by the Federal Government. They can go to any doctor they choose and basically have it covered, 80 percent of the cost, by Medicare.

What we proposed, as Democrats, is to do the same thing with prescription drugs. Essentially, a senior would have a \$25 per month premium, with the first \$100 being deductible. Starting January 1, the first \$100 the individual had to put out for prescription drugs they had to pay out of pocket; and then, after that, 80 percent of the prescription drug costs would be paid for by the Federal Government and the individual would pay a 20 percent copay. There was no restriction. A senior could go to any pharmacy and buy any drug, name brand, generic, whatever was desired or whatever the doctor ordered that was necessary.

Also, we had a provision in our bill, in the Democratic bill, that said that the Secretary of Health and Human Services, the administrator of the Medicare program, would be required to negotiate lower prices. We estimate that that would result in price discounts of about 30 to 40 percent. I did not just pull that figure out of the air. That is what the Federal Government does with the Veterans' Administration. That is what they do with the military, the active as well as the retired military. They negotiate price re-

ductions, and they get reductions of something like 30 and 40 percent.

So it sounded like a very good idea. Democrats put it forward, figured this is an opportunity to expand a very successful program like Medicare and to include prescription drug coverage.

But the Republicans said, no, we cannot do that. Frankly, I think a lot of them do not even like Medicare. But, whether they like it or not, they are very much into the ideology, at least the House Republican leadership and the President are into the ideology that everything should be privatized and that Medicare is not a good program because it is a public, government-run program and the best thing is to privatize.

So we got into this very confusing privatization of Medicare in order to provide some kind of prescription drug benefit, which does not even start until the year 2006. So I have all along said it is a very political thing to do. If you want to provide a benefit, you provide it immediately. You do not wait until after the next election, or really way beyond even the next election.

I want to talk about the discount card program, but if we look at the benefit that is supposedly to be provided beginning in the year 2006, we find that you have to put more money out of pocket into it than it is worth in terms of what a senior actually gets. There is a huge gap, some call it a donut hole, where you do not get any benefits, but you keep paying the premium. There is no designated premium, and there is no guaranteed discount.

In fact, there is a provision in the Republican-passed bill that was sponsored by the Republicans and supported by the President that says that the Secretary of Health and Human Services, the Medicare administrator, cannot negotiate prices because they do not want the Federal government negotiating prices or providing any discount. And, frankly, that is because the Republican bill was written by the drug industry; and they want to make money. They do not want to lose money by having discounts.

We can get into what is going to happen in 2006, in another couple years, because we have a lot of time. But, in the meantime, what the Republicans put in their bill was that, beginning June 1, which is today, and until the time that the so-called benefit kicks in, more than 2 years from now, that they would provide these discount cards. And that was, of course, the discussion by my Republican colleagues in the last hour and what I would like to get into tonight.

I would say just the opposite of what my Republican colleagues said earlier, that there is no benefit to these discount cards. I do not even see how anyone will get a discount because the prices of drugs have gone up way beyond whatever discount might be provided. And this system is so terribly confusing, there is really no way to