

Nearly half of all seniors spend over \$2,000 annually. This bill would not pay for drug costs between \$2,000 and \$3,700. Further, this legislation would do nothing to assist low-income beneficiaries. Low-income beneficiaries may have to pay \$2 to \$5 co-pays and 100 percent of the costs in the coverage gap.

In contrast, the Democratic substitute, had we been able to offer it, offers seniors a real Medicare prescription drug benefit for with relief from the high cost of prescription drug prices. This legislation would lower the costs of drugs for all seniors, would offer an affordable, guaranteed Medicare drug benefit, would ensure seniors coverage of the drugs their doctors prescribe, and would not force seniors into HMOs or private insurance. Beneficiaries would pay a \$25 premium per month, a \$100 deductible per year, and would receive full coverage after paying \$2,000 in out of pocket expenses. In addition, this substitute would help low-income beneficiaries with premium and co-insurance payments. Finally, it would guarantee Medicare beneficiaries the choices that matter: choice of prescription drug, choice of pharmacy, and choice of doctor and hospital.

I support the provider payment adjustments made to hospitals, physicians, and rural communities represented in both H.R. 4954 and the Democratic substitute; however, I cannot in good faith support H.R. 4954 with its unacceptable prescription drug plan.

Mr. Speaker, I am committed to providing a comprehensive benefit that is affordable and dependable for all beneficiaries with no gaps or gimmicks in its coverage. What Congress offers to senior citizens and individuals with disabilities should be no less generous than what Members of Congress and other Federal employees receive. For these reasons, I oppose H.R. 4954. I urge my colleagues to do the same.

Mr. BONILLA. Mr. Speaker, while I support this bill because it provides meaningful prescription drug coverage for America's seniors and implements measures needed to modernize the Medicare system, I rise out of concern for the effects of this bill on pharmacy services. Pharmacists are on the front lines of health care for millions of Americans. Seniors count on their pharmacist for quality medications and medication therapy services. Coverage of prescription drugs should go hand-in-hand with access to quality pharmacy services.

This bill would inhibit the ability of America's seniors to select the pharmacy that best meets their needs. In many of the smaller towns in my district, seniors have established long-standing relationships of trust with their community pharmacists. This bill would force many of these seniors to turn elsewhere for prescription drug services.

Furthermore, this bill allows Pharmacy Benefit Managers to establish restrictive pharmacy networks, preferred formularies, mail order services and inadequate reimbursement rates, severely undermining the future viability of community pharmacies. Prescription drug plan sponsors, not pharmacists or doctors, would determine the selection of medications to be included on formularies. Cost would supercede the medication that is in the best interest of the patient, and community pharmacies would be left struggling to stay in business.

This bill also compromises seniors' access to medication-therapy services. Pharmacists

play an important role in reducing medication-related problems. They routinely resolve complex drug interaction problems for seniors who take multiple medications. These problems cost billions of dollars annually and kill hundreds-of-thousands of persons. Medication-therapy services decrease long-term health care costs while increasing safety.

As a conservative, I recognize the need to be fiscally responsible, however we should not allow our efforts to rein in the high cost of prescription drugs to jeopardize the health of our seniors. Taken together, the provisions of this legislation would impose economic hardships that would severely damage pharmacy infrastructure and compromise the health of America's precious seniors.

Thousands of pharmacists have diligently served America's seniors with dedication and excellence. We should not inhibit their ability to continue providing the drugs and services our seniors desperately need.

Mr. PAUL. Mr. Speaker, while there is little debate about the need to update and modernize the Medicare system to allow seniors to use Medicare funds for prescription drugs, there is much debate about the proper means to achieve this end. However, much of that debate is phony, since neither H.R. 4954 or the alternative allow seniors the ability to control their own health care. Instead both plans give a large bureaucracy the power to determine what prescription drugs senior citizens can receive. The only difference is that alternative puts seniors under the control of the federal bureaucracy, while H.R. 4954 gives this power to "private" health maintenance organizations and insurance companies.

I am pleased that the drafters of H.R. 4954 incorporate regulatory relief legislation, which I have supported in the past, into the bill. This will help relieve some of the tremendous regulatory burden imposed on health care providers by the Federal Government. I am also pleased that H.R. 4954 contains several good provisions addressing the Congressionally-created crisis in rural health and attempting to ensure that physicians are fairly reimbursed by the Medicare system.

However, Mr. Speaker, at the heart of this legislation is a fatally flawed plan that will fail to provide seniors access to the pharmaceuticals of their choice. H.R. 4954 requires seniors to enroll in a prescription benefit management company (PBM), which is the equivalent of an HMO. Under this plan, the PBM will have the authority to determine which pharmaceuticals are available to seniors. Thus, in order to get any help with their prescription drug costs, seniors have to relinquish their ability to choose the type of prescriptions that meet their own individual needs! The inevitable result of this process will be rationing, as PBM bureaucrats attempt to control costs by reducing the reimbursements paid to pharmacists to below-market levels (thus causing pharmacists to refuse to participate in PBM plans), and restricting the type of pharmacies seniors may use in the name of "cost effectiveness." PBM bureaucrats may even go so far as to forbid seniors from using their own money to purchase Medicare-covered pharmaceuticals. I remind my colleagues that today the federal government prohibits seniors from using their own money to obtain health care services which differ from those "approved" of by the Medicare bureaucracy!

Since H.R. 4954 extends federal subsidies (and federal regulations) to private insurers,

the effects of this program will be felt even by those seniors with private insurance. Thus, H.R. 4954 will in actuality reduce the access of many seniors to the prescription drugs of their choice!

I must express my disappointment that this legislation does nothing to reform the government policies responsible for the skyrocketing costs of prescription drugs. Congress should help all Americans by reforming federal patent laws and FDA policies which provide certain large pharmaceutical companies a government-granted monopoly over pharmaceutical products. Perhaps the most important thing Congress could do to reduce pharmaceutical policies is liberalize the regulations surrounding the reimportation of FDA-approved pharmaceuticals.

As a representative of an area near the Texas-Mexican border, I often hear from angry constituents who cannot purchase inexpensive quality imported pharmaceuticals in their local drug store. Some of these constituents regularly travel to Mexico on their own to purchase pharmaceuticals. It is an outrage that my constituents are being denied the opportunity to benefit from a true free market in pharmaceuticals by their own government.

The alternative suffers from the same flaws, and will have the same (if not worse) negative consequences for seniors as will H.R. 4954. The only difference between the two is that under the alternative, seniors will be denied the choice for pharmaceuticals by bureaucrats at the Center for Medicare and Medicaid Services (CMS) rather than by a federally subsidized PMB bureaucrat.

Mr. Speaker, our seniors deserve better than a "choice" between whether a private-or-public sector bureaucrat will control their health care. Meaningful prescription drug legislation should be based on the principles of maximum choice and flexibility for senior citizens. For example, my H.R. 2268 provides seniors the ability to use Medicare dollars to cover the costs of prescription drugs in a manner that increases seniors' control over their own health care.

H.R. 2268 removes the numerical limitations and sunset provisions in the Medicare Medical Savings Accounts (MSA) program. Medicare MSAs consist of a special saving account containing Medicare funds for seniors to use for their routine medical expenses, including prescription drug costs. Unlike the plans contained in H.R. 4504, and the Democratic alternative, Medicare MSAs allow seniors to use Medicare funds to obtain the prescription drugs that fit their unique needs. Medicare MSAs also allow seniors to use Medicare funds for other services not available under traditional Medicare, such as mammograms.

Medicare MSAs will also ensure senior access to a wide variety of health care services by minimizing the role of the federal bureaucracy. As many of my colleagues know, an increasing number of health care providers have withdrawn from the Medicare program because of the paperwork burden and constant interference with their practice by bureaucrats from the Center for Medicare and Medicaid Services. The MSA program frees seniors and providers from this burden, thus making it more likely that quality providers will remain in the Medicare program!

Mr. Speaker, seniors should not be treated like children by the federal government and told what health care services they can and

cannot have. We in Congress have a duty to preserve and protect the Medicare trust fund. We must keep the promise to American's seniors and working Americans, whose taxes finance Medicare, that they will have quality health care in their golden years. However, we also have a duty to make sure that seniors can get the health care that suits their needs, instead of being forced into a cookie cutter program designed by Washington, DC—based bureaucrats! Medicare MSAs are a good first step toward allowing seniors the freedom to control their own health care.

In conclusion, Mr. Speaker, both H.R. 4954 and the alternative force seniors to cede control over what prescription medicines they may receive. The only difference between them is that H.R. 4954 gives federally funded HMO bureaucrats control over seniors prescription drugs, while the alternative gives government functionaries the power to tell seniors what prescription drug they can (and can't) have. Congress can, and must, do better for our Nation's seniors, by rejecting this command-and-control approach. Instead, Congress should give seniors the ability to use Medicare funds to pay for the prescription drugs of their choice by passing my legislation giving all seniors access to Medicare Medicaid Savings Accounts.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to the Republican Party's sham prescription drug benefit proposal. Prescription drugs, especially for our elderly population, are not a luxury but a matter of life or death. Prescription drug costs in our country are rising nearly 20 percent each year, forcing more and more of our country's parents and grandparents to choose between their medication and other necessities of life such as food. Our Nation's seniors worked hard to make this country strong, many fighting in far-off places to keep us free. They deserve to have health care security.

Unfortunately, the Republican prescription drug plan falls short in providing this security to our seniors. First, the Republican plan covers less than a quarter of the costs seniors will pay for their medication over the next 10 years. Second, under the Republican plan, the premiums and the deductible are so high that most seniors won't be able to afford the plan and as a result will receive no benefits at all. Finally, the Republicans have no universal prescription drug plan. Instead, they leave it to individual insurance companies to develop their own plans. This means seniors will be left on their own to do the research on each plan that will vary in price, benefits, and availability across the country.

This complicated, time-consuming, and expensive process is unfair and unnecessary, and it represents just another step in the Republican Party's effort to privatize Medicare. That is why Democrats have offered a simple, affordable prescription drug plan with a standard benefit and a low deductible. Through the use of collective buying power, the Democratic prescription drug plan actually lowers drug prices for all of Medicare's 40 million beneficiaries. Unfortunately, Republicans did not allow this alternative plan to be presented to the House for a vote. The Republican bill before us is a sham that does little to help our Nation's seniors.

The House must defeat the Republican bill and take the necessary steps to pass the Democratic prescription drug bill that will give all America's seniors the benefits they need and the health care security they deserve.

Ms. BROWN of Florida. Mr. Speakers, it matters who is in charge. This Republican leadership must think the American people are stupid. Last week they raised \$30 million dollars in a fund raiser with the drug companies, and this week we have a prescription drug bill on the floor. Now who do you think they wrote this bill for: The seniors they've been promising relief to for 2 years, or the big drug companies that will be funding their elections this fall?

While on a trip back home to Jacksonville in March, I went to the drug store for my grandmother to pick up just one of her prescriptions. I was expecting maybe a \$15 co-payment because I knew her insurance plan had drug coverage. The bill was \$91 dollars. She had a limit on her coverage, and it had run out. We were 3 months into the year, and she no longer has a drug plan.

My grandmother, and all grandmothers deserve better than this. If the Republicans can take a break from their million dollar drug company fund raisers and constant tax cut bills for their country club friends, maybe we can work on a compromise that will provide our seniors with the relief we have been promising them. My Republican colleagues talk the talk, but they don't walk the walk. The Republican leadership has come up with a privatized drug plan that has been rejected by both the insurance industry and the drug stores as unworkable, and fails to truly help seniors.

This is one more perfect example of why it matters who is in charge.

Mrs. BONO. Mr. Speaker, I rise today to support comprehensive health care improvements for our country. The Medicare Modernization and Prescription Drug Act of 2002 offers a real and immediate benefit to our seniors, while also offering substantive improvements to a Medicare system that will collapse in on itself without out reforms.

Currently the seniors in my district, which represent over one in five of all individuals in California's 44th District, are without prescription drug coverage that is essential to their quality of health. With this legislation, these individuals will receive an affordable option that will become a permanent facet of Medicare for generations to come.

I have had the honor of serving on the Speaker's Prescription Drug Action team, and we have worked hard to address both prescription drug coverage and improvements to the Medicare system. These include helping our doctors continue to better serve Medicare beneficiaries and helping our hospitals to keep their doors open to those who can't afford to meet even basic health care needs. In particular, the Medicaid Disproportionate Share Hospital monies included in this bill are a serious start to helping our public hospitals, including two in my district.

There is still work to be done in properly funding these hospitals that offer such essential services, but this comprehensive legislation is taking a step in the right direction.

One of my constituents recently wrote to me and spoke of the urgency with which we need to provide our seniors with affordable prescription drug coverage. Her message is echoed by thousands of others, and she is correct that we can no longer ignore the urgent need to improve our health care system.

It is urgent because our seniors cannot continue to keep up with rising prescription drug costs. It is urgent because our doctors and

hospitals must have the tools to continue to offer quality care. And it is urgent because we can no longer afford to make patchwork fixes to a program that has not received needed improvements since its inception in 1965. It is for these reasons that I rise today in support of The Medicare Modernization and Prescription Drug Act of 2002.

Mr. KIND. Mr. Speaker, providing affordable Medicare prescription drug coverage for our Nation's seniors is one of the most pressing issues facing our country today. Even though the elderly use the most prescriptions, more than 75 percent of seniors on Medicare lack reliable drug coverage. It is time to modernize Medicare to reflect our current health care delivery system. The use of prescription medications is as important today as the use of hospital beds was in 1965 when Medicare was created.

I have heard from a number of seniors in western Wisconsin regarding the problems they have paying for prescription drugs. One woman from Deer Park, Wisconsin, a small town in my district, wrote to me and said:

My medication is \$135.00 per month. Fortunately my husband is not on any medication. If we both were not working part-time, I guess that we would have to make a choice between food and Medication—does one eat to survive or take the medication for a "long and happy life"?

What is to happen to this couple if the husband falls ill and has high drug costs too?

Seniors without prescription drug coverage often pay the highest prices for their medication. Pharmaceutical companies negotiate prices with their most favored customers, such as HMOs, but seniors without drug coverage do not benefit from these negotiations. Not only do my seniors face price discrimination in their hometowns, but also they can go to Canada and get the same medicine for a substantially cheaper price. On average my constituents would pay about 80 percent less for their drugs in Canada than they do at home in western Wisconsin. That is wrong.

The cost of prescription medicines should not place financial on seniors that would force them to choose between buying drugs and buying food. We need to make prescription medicines affordable and accessible to all of our seniors.

Unfortunately, today's debate is a sham. We will not have the opportunity to discuss this issue in a fair and open process. The majority decided to railroad the debate and silence the minority by not allowing an alternative to be debated and voted upon. Our nation's seniors deserve better. They deserve an open process, but the Republican leadership has failed to deliver this.

The leadership has also failed seniors with their prescription drug proposal. The Republican plan is doomed to fail because the plan relies on health insurance companies to offer drug only policies which they have said they won't offer. If insurance companies won't offer these policies, how will seniors actually obtain prescription drug coverage under the leadership plan?

Every insurance company with whom I have spoken has said that they will not offer a drug-only insurance policy. In fact, during our last debate on this issue, the Health Insurance Association of America, which consists of nearly 300 insurance companies, released a statement claiming, "These 'drug only' policies represent an empty promise to America's seniors. They are not workable or realistic."