

as a benefits package, health care, retirement, these things could be available and would not violate the spirit of President Roosevelt's wage and price controls. Thus, the era of health insurance benefits or employer-derived health insurance was born. And Mr. Speaker, it worked tremendously well, so well that it persisted well after the end of the Second World War.

Now, a lot of people will look at Western Europe and say, they've got a government-run system. Why don't we do what Europe did? How did Europe develop a system, a single-payer, government-run system? Even though some of the countries in Western Europe were victorious at the end of the Second World War, the war was fought in their back yard; their economies were devastated. It was important for their governments to stand up a medical care system quickly to avert a humanitarian crisis. That is what led to the institution of single-payer systems that you see in many countries in Europe today.

But America, by contrast, came through the war with a benefits package, if you will, that was available to employees. Employees like it. Employers liked it because the employees were happy. The employees stayed, to some degree, healthier and were able to work more effectively and less time off for sick leave. So the American system persisted and did very well for a number of years.

Now, fast forward some 20 years from the end of the war to the middle of the administration of Lyndon Johnson, fellow Texan, fellow House Member, albeit on the other side of the aisle, but during the tenure of President Johnson, he signed both the Medicare and the Medicaid programs into law. This was a large government program and represented a fundamental shift. It was the first time that the government got involved in a big way in running the practice of medicine. But it was created to focus on the elderly, to focus on their hospital care and their doctor care, and certainly make sure that persons who were then to be covered by Medicare weren't left in poverty in old age because of mounting medical bills.

But then fast forward another 40 years to the 108th Congress, and we had the Medicare system that was big and expensive and was very, very slow at change. It was like trying to turn a battleship. In 2003, in this House of Representatives, the President came to us, in the very first State of the Union message that I attended as a Member of Congress in my first term, and the President said he was going to, or this Congress was going to bring a Medicare prescription drug benefit to Medicare, that people had waited too long for this; it was too important to wait for another President or another Congress. And indeed, Congress set about the work of providing what we now know as the Part D benefit. And within the year, we voted on that package, and within the next year, it was, indeed,

starting to be run. But the government system needed to address some of the inefficiencies that were built into the system.

Now, the Medicare prescription drug plan has given seniors access to medications that, quite frankly, they just didn't have available before. And when you look at how medicine has changed from 1965 to 2005, when the Medicare drug plan took effect, the changes that had been brought about by the advances in medical research, my dad was a doctor as well, and I used to tease him that, back in 1965, doctors only had two pharmaceutical choices, penicillin and cortisone, and they were regarded as interchangeable. My dad didn't think that was very funny. But the fact is, you come to 2005, look at the lives that have been saved by the introduction of a medicine like statin, medicines that are used for reduction of cholesterol. Dr. Elias Zerhouni of the National Institutes of Health estimates that 800,000 premature deaths have been prevented between 1965 and 2005 with the introduction of medicines to manage cholesterol and lipid levels in patient's blood. That's a tremendous change. In 1965, some people simply had the heart attack and died. In 2005, 2007, that no longer happens. But they are required, in order to maintain that state of health, to be maintained on a medication. Well, if the medicine is too expensive for the patient to buy, they don't take it, and they suffer the health consequences. And as a consequence, the system becomes more expensive because people end up utilizing the system more frequently and the outcomes for disease management become much worse.

The Medicare Prescription Drug Program has been successful. There have been a certain number of people who have been critical, but it has been a great benefit for seniors. And the fact that it is up and running now well into its second year, there is a great deal of satisfaction, and the penetration into the number of people who have had prescription drug benefits who are covered by Medicare is now at an all-time high.

Now, in this country, as I mentioned earlier, the government pays for about half of our health care expenditures. We have a GDP of roughly \$11 trillion in this country. The U.S. Department of Health and Human Services states that Medicare and Medicaid services alone, in fact when we vote on our Labor-HHS appropriations bill this year, it will be significantly north of \$600 billion.

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So that is about a half of what we spend in health care.

The way the other half is broken down, primarily the weight is borne by commercial insurance, by private insurance. There is a significant number of dollars that are contributed as charity care or uncompensated care. Certainly there are some individuals who do still simply just pay for their med-

ical care out of pocket, but about half are from the Government source and half from private sources or the goodwill of America's physicians.

The numbers are going to increase because the overall dollar expenditure in health care is going to increase. The baby boomers are aging. There are more and more advances discovered with every passing month. The Federal Government is going to continue to funnel taxpayer dollars into Medicare. We have to ask ourselves, are we getting value for the dollar? Are we doing the best that we possibly can do with that money? Is the government doing an excellent job of managing our health care dollars? Do we think that the government is better suited to be the arbiter of a person's health care needs, or are those decisions better left up to an individual and their family? And who, at the fundamental end of it all, who is better able, who is going to be able to handle the growing health care needs in this country?

I would argue that if you have a public only, a government-run system, a universal, single-payer system, that in America it is going to be a significant problem. In fact, it will have the perverse incentive of hampering our innovation and perhaps even hampering the delivery of the most modern health care services available.

As an example, I would suggest that we have a model that we can examine, and that is our neighbor to the north in Canada. Canada has a completely government-run system. The Supreme Court in Canada in 2005, however, said that the waiting times in Canada were unconscionable and access to a waiting list did not equate to the same thing as access to care.

Now, in Canada they actually have a safety valve, because if somebody needs a medical procedure or needs a medical test done, they actually do have an area where there is a surplus of medical care available, and that would be on their southern border, the United States of America. So if somebody has the ability to pay and wants to come from Canada and cross the border to Henry Ford Hospital in Detroit, they are very capable of doing that. I am certain that the good folks at Henry Ford Hospital welcome their neighbors from Toronto all the time to sell essentially excess capacity that they have, whether it be an MRI or a CT scan or even a mammogram, heart surgery, or an artificial hip. The things that are on the waiting list in Canada that might take months or even years can be accessed relatively quickly simply by crossing the border. The waiting list is significantly long for some procedures.

If we look across the ocean to the country of Great Britain, the National Health Service, of course, has long been established in Britain. The citizens of that country regard their health system with a good deal of affection. But there is, in fact, a two-tier system in England. If someone is on a list for a hip replacement and has the