

Real Solutions Not Soundbites



A 2020 PLAN
TO MAKE
AMERICA
INDEPENDENT
AGAIN

*“Politicians believe
soundbites are actual
solutions – they're not. We
need to implement real
solutions that support our
conservative values.”*



George Flinn
Republican U.S. Senate
Candidate

Real Solutions Not Soundbites
A 2020 PLAN TO MAKE
AMERICA INDEPENDENT AGAIN

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FIRST EDITION

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Dedication

Dedicated to you, amazing Americans who have endured many challenges and problems not of your own making. The United States is the greatest nation ever conceived and American citizens deserve real solutions to problems. Speeches with short emotional “soundbites” do not solve our problems. It takes an intricate plan with the political will to act on these plans to solve our problems. I dedicate this book to you, the American people, knowing that the real solutions within this book will make your life better.

Note to you, the Reader

As a physician, businessman, and communicator through Radio and Television broadcast media, I have been blessed to meet and work with truly remarkable people who are dedicated to making life better for for our future.

The real solutions in this book are an amalgamation of my experience in problem solving as a scientist specializing in electrical engineering. Then the added experience, as a physician specializing in radiology, has enabled me to approach problems with not only the scientific method, but also and human interactions added. I approach each problem in a diagnostic manner to determine the actual basic primary cause of the problem rather than treating just the symptoms.

Only by getting to the underlying problem do we find Real Solutions. That is the method I've utilized in engineering, business, and medical practice. First, the history, and physical evidence, are evaluated. Next, the symptoms or problems are actively investigated and diagnostic studies or maneuvers involved to discover the underlying

problem. Once found, treatment is instituted and changes made to solve the problem and alleviate the symptoms. Note that discovering and relieving the underlying problem also relieves the symptoms. Putting a "bandaid" or "sound bite" solution on the symptoms does not relieve the underlying problem.

This is the method that I have used in developing these real solutions, all the while noting that simple "sound bites", even though spoken loudly with great fervor, are not the answer. A deep dive into the problem identification and developing a unique solution for each problem is the "Real Solution Method" that works.

I look forward to your understanding and learning the method and the changes that this method will bring so that you and your family can have the great life that we enjoy in the United States of America
EVEN BETTER.

Thanks to Gene Bryan, Paige Price and Brian Stephens for their editorial assistance in writing this book. The team work made the two year process of research and development of these Real Solutions both enjoyable and inspiring.

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I. How to Get Us Back to Normal and Prevent Us from Being Controlled by Foreign Nations

Please note things are moving fast and we are updating this plan as often as time allows us. It was first drafted on March 10th and updated March 20th and April 3rd. We will continue to update as we move forward.

SUMMARY OF ACTION PLAN

With this plan of action, we can protect lives and become less dependent on foreign nations. This plan can all be accomplished in a manner that ensures our economy is not crippled during the next global pandemic. We need a clear understanding of what we have done well and what we could have done better. No blame is assigned, because that prevents us from learning how to improve.

To ensure we can implement this plan, we push back against special interest groups that would rather protect their own interest by sacrificing the health and economy of the American people. I believe if we are honest, transparent, and direct, we can work towards a common goal and achieve anything. And if we work towards REAL SOLUTIONS we can safely return to our normal lives and prepare for the future.

The first series of solutions deals directly with COVID-19 and determining who is safe and who is still at risk. Thereby allowing “safe” groups that can neither infect others nor become infected to return to their normal routine.

The second series of solutions makes certain that we are ready for the next possible outbreak. We will also become less dependent on foreign countries for our critical infrastructure items. These solutions begin the process of work towards the ultimate goal of us returning to our normal lives now and protecting us from this type disaster and future hardships.

The road to return to normalcy will be longer than anyone wants. Remember, it took 40-50 years of neglect to get us here, but the road back, if we work together on these solutions, will be much shorter. Progress will reward us now and in the future.

“The best time to plant a tree was 20 years ago; The second-best time to plant a tree is NOW!”

GOALS

- Protect lives.

- Get Americans back to normal as safely and as quickly as possible.
- End our dependence on foreign countries for our critical infrastructure needs.
- Hold nations accountable that withhold information that results in harm to our citizens.
- Prepare for future pandemics in a way that will not derail our lives.

SUMMARY OF SOLUTIONS

A. Right to Sue Foreign Nations - Enact an exception to sovereign immunity for the health and welfare of our citizens.

- Expand the Foreign Sovereign Immunities Act (FSIA) of 1976. This is a United States law, codified at Title 28, §§ 1330, 1332, 1391(f), 1441(d), and 1602–1611 of the United States Code, to allow an exception to sovereign immunity for the health and welfare of its citizens by requiring the free open and timely exchange of information that may harm our citizens.

- Amend all treaties to allow an exception to sovereign immunity for the health and welfare of its citizens by requiring the free, open, and timely exchange of information that may harm our citizens.

B. Initiate More Comprehensive Testing beyond the Nasal Swab Test that will allow many of us to return to normal. Specifically, initiate Blood Serology tests in addition to nasal swab tests. With both tests we can determine who has an active infection, who may have already developed immunity to COVID-19 and those who are susceptible to the virus with no immunity.

C. End Our Dependence on Foreign Countries for our critical needs.

- Support President Trump's "Buy America" Executive Order that adjusts the bidding process that evaluates how the U.S. Government buys its products.
- Leverage the U.S. Government's \$500 billion dollars a year buying power to get companies to move the production of "critical" goods and services back to the United States.

D. Fully Fund and Fill the National Strategic Medical Stockpile

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I. Brief Summary of COVID-19

COVID-19 is a corona virus that causes Severe Acute Respiratory Syndrome or SARS. SARS begins with a high fever (temperature greater than 100.4°F)[1]. Other symptoms may include headache, an overall feeling of discomfort, and body aches. Some people also have mild respiratory symptoms at the outset. About 10 percent to 20 percent of patients have diarrhea. After 2 to 7 days, SARS patients may develop a dry cough. Most patients develop pneumonia.[2] The COVID-19 virus appears to come from Wuhan, China. The Chinese government first reported cases of the disease on December 1, 2019. The United States reported its first known case on January 20, 2020.

An intelligence report from the military's National Center for Medical Intelligence in November, compiled through wire and computer intercepting and satellite imagery, reported the existence of a health event happening in China and concluded that an outbreak of the virus "could be a cataclysmic event." [3] Reports from China state that the first known case was a 55-year-old individual from Hubei province (Wuhan is a city in Hubei province.) China also indicated that the virus impacted about one to five persons per day and that by December 20, 2019, there were 60 confirmed cases. [4] When China reported the outbreak to the World Health Organization (WHO) on December 31, 2019, it indicated they had cases of pneumonia type illnesses from a virus of unknown origin and four days later reported 44 such cases. But intelligent reports were already saying by December 31, 2019, the outbreak was "full blown" and not isolated. [5]

The U.S. reported its first case on January 20, 2020, and on January 31, 2020, the President declared a National Health Emergency. Through February, the spread of the virus was in isolated areas and closely linked to direct contact with persons who had traveled to areas in the world with known infection rates. However, a Kirkland Washington nursing home became the epicenter on February 29, 2020, and persons who lived and worked there as well as first responders and

visitors were carrying the virus around the country. The first week in March 2020 marked the last normal week of social behavior in the U.S.[6] In the following days, social distancing was initiated, schools began extended spring breaks, and slowly, places of social gatherings were asked to close. Sheltering-in-place and eventually Stay-at-home orders were proclaimed by governors across the U.S. by the end of March.

A. U.S. Reaction

The first case of COVID-19, reported on January 20, 2020, in the U.S. was a man who returned to the state of Washington after traveling to Wuhan China. It was his contact with people upon arrival in the U.S. that led to both the spread of the virus in the Seattle area but also elsewhere in the U.S.[7] On January 31, 2020, the President issued restrictions on persons returning from China, and on February 29, upped those restrictions to people traveling from Italy, Iran and South Korea. Meanwhile, the few cases being reported in the U.S. were generally being handled by state and local health agencies and hospitals.

The first week of March saw a major shift in U.S. response. There were now 12 deaths of U.S. citizens who had contracted the disease through community contact not associated with a known infected person. California

and Washington State became the hot spots for the disease in the U.S.

On March 6, President Trump signed the first COVID-19 aid bill to provide testing for individuals and research funds for the CDC and NIH.[8] As the second week of March started so did the slow shut-down of the Country. Sports leagues and entertainment events were being canceled and schools began announcing extended spring breaks. By March 15, there were more countries added to the restrictive travel list including most of Europe and Asia.

The week of March 16, 2020, started the steep climb in the number of COVID-19 cases in the U.S. State and local governments were asking non-essential companies to work from home, and a restriction on gathering of 50 or more persons was being reduced to 10 persons, which placed significant restrictions on restaurants and bars from in-house service. Through the week of March 23 to the end of March, the Trump Administration had extended the social distancing recommendations until the end of April, and shelter-in-place and stay-at-home orders were being issued by governors that placed us in a semi-state of quarantine.[9]

B. CARES Act

After a contentious debate in the U.S. Senate, the CARES Act (COVID-19 Aid, Relief and Economic Stimulus Act) was passed on March 25th and sent to the House. The measure passed the House two days later on March 27 and was signed hours later by President Trump. The CARES Act addresses key points:

1. Enhanced unemployment insurance,
2. Payment to individuals and families,
3. Aid to hospitals,
4. Aid to small businesses,
5. Aid to corporations

All of these points are targeted to individuals and employees. For those laid off and in need of unemployment insurance, this bill gives an extra \$600 per week for the first 8 weeks of unemployment. Payments to individuals provides up to \$1,200 per individual or up to \$3,300 per family of four.

The aid to small businesses is a loan program for small companies that keep employees on their payroll, even if

they have been furloughed. This means people will be able to receive their paychecks and keep their company benefits. Small businesses who apply for and use this money for these purposes may have the loans forgiven, if they follow the ever-changing guidelines. The banks making the Paycheck Protection Program Loans have been caught between the Small Business Administration NOT wanting to process the loans and the Treasury Department WANTING to process the loans. The loan programs have been delayed by typical bureaucracy "red tape" with businesses closing rapidly sending the US into a more rapid economic downward spiral.

The aid to corporations is similar to the small business program, except there is no loan program. Instead, the large company would receive tax credits for the amount paid in wages and salaries for workers kept on the payroll.

II. Where We Failed – The Lack of a Strategic Medical Supply Stockpile

In addition to general government reaction, state, local and federal governments were responding medically. One important part of the federal response should be the use of the Strategic National Stockpile, (SNS). The SNS's role is to supplement state and local supplies during public health emergencies. Many states have

products stockpiled, as well. The supplies, medicines, and devices for life-saving care contained in the stockpile can be used as a short-term stopgap buffer when the immediate supply of adequate amounts of these materials may not be immediately available.[10]

The SNS was created in 1999 to address the country’s needs should we face a bioterrorism attack. Following 9/11, its role was expanded to cover general health emergencies such as pandemics and natural disasters.

Strategic National Stockpile Depletion [11]

Strategic National Stockpile Depletion¹

Event	Year
9/11 and Anthrax Attacks	2001
Hurricanes Katrina and Rita	2005
Hurricanes Gustav and Ike	2008
H1N1 Flu Pandemic	2009
Hurricane Alex	2010
Hurricane Irene	2011
Hurricanes Isaac and Sandy	2012
Botulism and Ebola	2014 and 2015
Zika Virus	2016 and 2017
Hurricane Harvey, Irma and Maria	2017
Hurricane Dorian	2019
COVID-19	2020

¹ <https://www.phc.gov/about/sns/Pages/responses.aspx>

As President Trump declared emergencies state by state across the nation, supplies in the SNS should have become available to those state and local governments.

We have learned the current and past administrations have not adequately restocked the SNS as needed. N95 masks and other Personal Protective Equipment were significantly depleted in the response to the H1N1 pandemic of 2009. In the eleven years since, the administrations and Congress have failed to appropriate the funds needed to replenish these stocks. A recent article now indicates a significant portion of the SNS medical equipment has been depleted.[12]

Of all people, President Obama has become critical in the public forum and news organizations of the shortages and lack of readiness of our National Stockpiles. While President Obama was “kicking the can”, he now does not want to be held accountable and is trying to shift the focus of blame of our current shortages from his administration to President Trump.

Rather than playing the “blame game” and wasting valuable time, we need to focus on solutions and **FIX THE PROBLEM**. Thus, anyone who has a stockpile of masks, either N95 or surgical, and other personal protection equipment should take them to the nearest major health care facility. This will assist in meeting

your local demand for these products and protecting the healthcare workers who may be just the ones called on to save the life of one of your loved ones.

III. We Face Supply Shortages Because of Our Dependence on Foreign Nations

- China is the second largest exporter of drugs and biologicals (drugs from natural sources) to the U.S.
- China produces over 95% of the U.S. Supply of antibiotics.
- Asian Countries produce 95% of our ibuprofen, and 91% of hydrocortisone.
- China is the largest supplier of medical devices and supplies:
 - o Class 1: Bandages and gloves
 - o Class 2: Scissors, forceps, and other surgical supplies
 - o Class 3: Pacemakers and ventilators
 - o Class 4: Imaging devices
- About 80 percent of Active Pharmaceutical Ingredients come from China and India.

- The U.S. relies upon China for 90 percent of our generic prescription medicine
- India provides over 40 percent of the over-the-counter drugs to the U.S.
- India depends heavily upon China for the ingredients in their drug production.

From a supply chain perspective, India is dependent upon China, factories in China have been closed to deal with the coronavirus, so India has been forced to slow production of its products coming to the U.S. Further, the Indian government has stopped the export of twenty-six pharmaceutical products, mostly antibiotics to ensure adequate supplies remain in their own country. This decision makes drug shortages a potential here in the U.S. particularly, antibiotics.

Drugs that are at risk for supply chain disruption have not been disclosed by the Federal Drug Administration. But, since China produces nearly 97 percent of the U.S. supply of antibiotics, those are a prime example of drugs that can be disrupted. Additionally, China produces 90 percent of U.S. used vitamin C, 95 percent of our ibuprofen, and 91 percent of hydrocortisone. China also produces generic drugs for U.S. distribution including HIV/AIDS, diabetes, epilepsy and Parkinson's disease.

In other words, the U.S. is heavily dependent upon foreign sources of our prescription and over-the-counter, (OTC) drug supply. A supply that may be at risk the longer the impacts of the coronavirus in China impact manufacturing.

We know the Federal Drug Administration (FDA) has asked drug companies to evaluate their supply chains with China and India and take steps to mitigate potential shortages. The question is, are U.S. manufacturers gearing up to compensate for the foreign shortfalls? Do we know the time required to start up production and to make an impact on the U.S supply for prescription and OTC drugs?

The dependence upon foreign countries for drugs is not the only medical supply item impacted. There are major medical devices that are manufactured in China. Firms in the medical device manufacturing industry produce diagnostic, medical monitoring, and treatment equipment. Surgical masks are also predominately made in China, and testing kits are made in Europe. And, the Center for Disease Control warns that we are in short supply of masks and testing kits.

IV. Current Status of Health and Economy

A. Health

The landscape of COVID-19 is changing daily, and we have provided links to credible websites in order that you can see the status at the time you read this. The statistics provided here are as of the date this paper is written and does not reflect current conditions.

Provided in the chart below are the statistics for COVID-19 worldwide, the United States and Tennessee. The chart reports total cases, total deaths, active cases, severe cases and recovered.[13] The data comes from the website Worldometers.info and is regularly updated. For more detailed data for Tennessee, you can visit the State website.[14] The map on the Tennessee site provides a geographic breakdown of where the virus is within the state and a table of counties with the number of cases, deaths and recovered.

Current Status of the Virus – May 5, 2020
www.Worldometers.info

Geography	Total Cases	Total Deaths	Active Cases	Severe Cases	Recovered
World Wide	3,673,517	253,407	2,208,880	49,585	1,211,230
United States	1,215,506	70,1325	957,3059	16,055	188,069
Tennessee	13,571	219	7,271	N/A	6,300

The most significant statistics in the State of Tennessee are that the two most populous counties, Davidson and Shelby, at this time have death rates of less than 2 percent. Hamilton County has a death rate of almost 10 percent. In Sumner County, a nursing home has a significant level of infections raising the number of deaths in the county, and they now have a overall death rate of 5 percent. In Hamilton County, nine of the 10 deaths were persons aged 61 and older and all had underlining health conditions, the other was a juvenile under the age of 10.

B. Economy

The U.S. economy grew in the fourth quarter of 2019 by 2.1 percent, maintaining a steady growth rate throughout 2019.[15] First quarter 2020 projections from various economist had the economy slowing slightly to about 1.8 percent before the impacts of the COVID-19 virus. At the end of March 2020, those economists were revising that projection to 1.2 percent.[16] In the mid-COVID- 19 economic environment, Economists have forecasted a GDP decline of over eight (8) percent for 2020 with a slow recovery starting by year-end and picking up in 2021.[17]

The idea of just restarting the economy of the United States, and that of the world in the next couple of weeks is not what is being put forth here. Discussed is, how we go about that task. At this time, the question of when is a politically philosophical debate.

The debate is a broad discussion of the question of health vs wealth. It includes a range of the subparts of health and wealth. Those parts are poverty, race, racism, education, health care, and mental health, all of which will suffer socially the longer our economy sits stalled. In a recent discussion held by the New York Times Magazine,[18] most participants recognized the need to find some ways to restart the economy. Citing some of the administration's estimates, look at the conservative models that the president and the White House Coronavirus Task Force are putting out, they're talking about 10 to 20 million Americans being infected, and therefore most likely being immune for some amount of time. That is a very powerful cohort that you don't want just sitting at home on the sidelines if you can restart parts of the economy with them.[19] But, if we continue to debate all of the parts of the health vs. wealth argument and leave the economy in a stall, then we allow much more dangerous discussions to grow. The discussions that plagued Europe 100 years ago. Economic recovery on the other hand, in the shorter term, allows all Americans to assess the transformation

this pandemic has had on our society and make even if you structural changes.

Getting persons back to work entails the “testing” protocols, discussed later, and the issuance of some form of immunity passport. Testing that clearly identifies those who are immune to the virus, those who are at high risk of severe effects, and those who may seek to choose a level of risk in order to resume societal behavior. With these standards in place, how then do we proceed, and begin implementing them. Yes, we risk a new surge if we start too early. If we wait too long, the cure for the virus will be greater on our society than the virus itself. An additional factor is the overall behavior of persons and households, and their individual level of risk taking given what we know about how those persons and households may be impacted by the virus.[20]

Many economists see a continued suppression of the economy through May. At this writing, that provides about six weeks to establish the mass testing procedures needed to produce a stable work force. Testing however doesn't ensure that waves of the virus don't strike later in the year. There will still be millions of persons who have not contracted the virus and a segment of those who may be impacted severely. The cycle of the virus is

seen subsiding in June and re-emerging in October and November.

The impact on business and social behavior may look something like as follows: [21]

Impact on Business and Social Behavior

Action	May	June	July	August	September	October	November	December
Infections	Rising	Down	Few	Few	Rising	High	High	Down
Mandatory Closures								
Large Events	None	None	None	None	None	None	None	None
Schools	None	None			Open	Open	Open	Open
Restaurants	None	Few	Some	Open	Some	Some	Some	Open
Non-Essential Businesses	None	Few	Some	Open	Some	Some	Some	Open
Voluntary Actions								
Work from Home	High	Some	Some	Some	Some	Some	Some	Some
Avoid Shopping	High	Some	Open	Open	Some	Some	Some	Open
Avoid Travel		Some	Open	Open	Some	Some	Some	Some

Source: <https://www.morningstar.com/articles/976107/coronavirus-update-long-term-economic-impact-forecast-to-be-less-than-2008-recession?>

There is a correlation between the number of new infections and the impact on the public. As such, demand for increased activity will drive many decisions as it relates to the economy moving forward. That is why it is key that governmental action is now ahead of the

curve in addressing the virus. The actions of the government need to provide the economic sector and society in general, a safe workforce. Again, that comes in distinct parts: those who show immunity to the virus, those not exposed but are part of a well-defined group for whom the impacts of the virus is not severe, those at high risk of severe effects so that as the virus peaks again in the fall, they can take appropriate measures.

C. Employment

On Friday March 6, 2020, the February employment figures were released. It showed that in February 2020, the economy added 273,000 jobs and an unemployment rate of 3.5 percent. Also included in those numbers were hourly wages growing by over 3 percent. But even as those numbers were announced, the threat of the coronavirus hung in the air. On April 3, 2020, the March employment figures were announced. Total employment fell by 701,000 persons and the unemployment rate rose to 4.4 percent. What was hidden in these numbers were the actual numbers of people being laid off. In the last two weeks of over 10 million people filed for unemployment insurance.[22] In the first week of April, an additional 6.6 million people have filed new claims.[23] This job loss over the past four weeks is unprecedented.

The actions of the federal government to provide some form of relief may lessen the overall impact, but the economy has to get back to producing things in order to restore economic stability. That means we need to find ways to being to open the economy.

V. SOLUTIONS

A. Give Us the Truth or Face the Consequences: Right to Sue Foreign Nations

The United States was ill prepared for COVID-19. This was due largely to lack of transparency and misinformation from China. Learning the truth faster could have helped saved lives and prevented an economy crippling “full lockdown” of the United States.

Early information from China was, not only inadequate, but also misleading, all designed to make China look good and “save face”. Crucial facts China hid from us and the world included knowing how long someone could be infected and spread the disease before they became sick with the disease. We were also not told about asymptomatic carriers of the disease (those that can spread the disease without showing any fever or other symptoms).

Also, we were not informed that many people who contract the virus may never show signs of having it at all. We've had to learn from our own experience, at least in the United States, a significant number of those who have the disease are between 21 and 40 years old. Yes, the most severe cases that may lead to death are in our older population, but the people most prone to spreading the disease are younger adults.

It would have been much less medically and economically devastating to have had the truth and allow us time to prepare. This attack has been so much worse because of the associated "sneak attack" of withholding critical, lifesaving information.

Given these more up-to-date facts, it becomes obvious that we are "reacting" to this viral pandemic rather than calmly "responding" to the COVID-19 viral problem. We must require, and if needed, penalize those nations that would rather protect their reputation and "save their national face" at the expense of our safety.

Right to sue foreign nations - Enact an exception to sovereign immunity for the health and welfare of our citizens.

Despite harm caused by foreign nations/governments, we, as American Citizens, have very limited rights to

hold those governments accountable. This is because most nations are covered by sovereign immunity which allows them to escape responsibility for even the most hideous of actions. It's time we change this.

Sovereign immunity has been an accepted practice for hundreds of years in this nation.[24] There are limited exceptions to this immunity in the U.S. but none of them protect us from deceitful nations withholding information that could potential harm our citizens.[25]

So, while foreign governments do have sovereign immunity, they do surrender some of that in exchange for ability to engage in international trade. My solution is simple - expand the exceptions to sovereign immunity for the health and welfare of our citizens.

First, expand the Foreign Sovereign Immunities Act (FSIA) of 1976. This is a United States law, codified at Title 28, §§ 1330, 1332, 1391(f), 1441(d), and 1602–1611 of the United States Code, to allow an exception to sovereign immunity for the health and welfare of its citizens by requiring the free, open, and timely exchange of information that may harm our citizens.

Second, amend all treaties to allow an exception to sovereign immunity for the health and welfare of its

citizens by requiring the free, open, and timely exchange of information that may harm our citizens.

B. Ending Social Distancing and Returning Us to Normal: Improved TESTING Beyond the Nasal Swab Test

We need to first focus on our national health, but then work on economic restoration. We need to maintain our homes, endure the hardship of not visiting family, and get a plan for restarting our economy. We have an opportunity to create a plan that will implement proactive measures to get us up and running. The core of this plan is TESTING.

Improved TESTING Beyond the Nasal Swab Test

– The first and most important step in healthcare treatment and prevention AND re-starting the economy is additional types of testing.

The Nasal Swab Test is critical and must be done, but to get us back to normal we must go beyond this type of testing. The Nasal Swab Test lets us know who has the illness. Additional types of testing will let us know:

- (1) Those who have the active virus with symptoms
- (2) Those who have the active virus with NO symptoms

- (3) Those we actively have the disease and are still fighting the disease
- (4) Those that have fought the virus and now have antibodies
- (5) Those still vulnerable to the virus and have no immunity

Until we have increased knowledge of test results, we are just guessing at diagnosis and treatment(s).

There are two types of tests to be given in order to identify the groups above. To successfully test, we must test everyone with BOTH types of tests (the nasal swab test and the serological blood test).

A. The NASAL AND THROAT SWAB tests we are using presently will determine who has the active disease and who might be an asymptomatic carrier of the disease. The positive nasal swab test means a person has active live virus and is able to spread the disease to others. Initially the test took about 3-5 days to receive results. Recently, "point of care" equipment was approved for in-office testing with results in approximately 10 minutes.

B. The BLOOD SEROLOGY test (with a blood sample similar to a diabetes blood sugar finger stick test) can be used to determine who is having mid-term active

disease or who has previously had the viral infection and has developed immunity to COVID-19. This test reveals results in approximately 10 minutes.

The first order of testing for COVID-19 remains the same and nasal swab testing is the initial test for acute or suspected disease. Those present with symptoms of the virus remain the priority. These symptoms include temperature over 100.4 degrees Fahrenheit, cough, general malaise, aches and other "flu-like" symptoms. After being tested, the person should remain quarantined until the test results are obtained. A negative test result would indicate an immediate release from quarantine and a positive test would indicate a 14-day quarantine time to be observed. Previously, the test results were reported in 3-5 days. A new test with 10-15-minute results has become available and is being implemented as of Mid-April 2020.

Second priority would be a person who was in contact with someone who tested positive for COVID-19. The person exposed might not yet have clinical symptoms of infection but should be tested for active virus. Once again, the person tested should remain in quarantine until the test returns and is negative. If the swab test is positive, the person should adhere to the 14-day quarantine time frame.

Third priority is members of the general public. It is important to consider people who are asymptomatic (with no fever, cough or other symptoms of viral illness) and surprisingly test positive to the nasal swab test for live virus. These asymptomatic people can spread the disease, yet do not know they are contagious, except for a positive nasal swab test. The recent estimates are that approximately 25% of infections are asymptomatic carriers. These asymptomatic carriers must be identified and properly quarantined to stop the viral disease spread. (Note, there are studies to determine how contagious that asymptomatic carriers actually are, as some postulate that asymptomatic carriers are not as contagious as those with symptomatic COVID-19 viral disease.)

It is easily seen that more rapid test results will eliminate unnecessary quarantine time and the new "point of care" 10-15-minute results will give good data and enhance compliance. Lack of quarantine time while awaiting test results will encourage more testing by the population.

If we can perform blood tests on all persons, especially those who have not tested positive with the nasal swab test, crucial information will be obtained. The blood test may also be given to persons in contact with someone

who has tested positive but never showed signs of infection.

From the two separate test results, nasal swab and blood tests, the population can be divided into seven categories of disease or risks: (Also, see decision matrix and flow chart attached)

A. POSITIVE NASAL SWAB TESTS: Exposed patients who are actively infected with the virus and are still actively infected as tested by the nasal swab. These individuals should be quarantined for 14 days and re-tested with the nasal swab to confidently say that they are no longer contagious.

B. NEGATIVE NASAL SWAB AFTER COVID-19 EXPOSURE: These patients have been exposed, but not infected and have no active virus. These people should be instructed to be aware of any of the signs of infection, but not quarantined as they are not contagious. They should be cautioned to continue prevention measures, such as social distancing, mask wearing, and frequent hand washing.

C. POSITIVE SEROLOGY BLOOD TEST FOR IgM COVID-19 ANTIBODIES: This is seen in nations with active infection and EARLY antibody response to the COVID-19 viral infection. It means that the person has

the disease and their immune system recognizes the viral antigen COVID-19 RNA and is producing antibodies to overcome the virus.

D. POSITIVE SEROLOGY BLOOD TEST FOR IgM AND IgG COVID-19 ANTIBODIES: The patient is in mid phase of the disease when the immune system has the early immune response (IgM) and later immune response (IgG) are both forming antibodies to the viral COVID-19 antigen. The IgM provides early immune reaction, while the IgG is the defense for long term immunity to this specific COVID-19 virus.

E. POSITIVE SEROLOGY BLOOD TEST FOR IgG ANTIBODY AND NEGATIVE IgM ANTIBODY FOR COVID-19: This combination is seen when the patient is in the later stage of recovery from COVID-19 viral infection. At present, as with other infectious disease processes, it is believed that IgG provides long term immunity. As yet, we do not know how long the IgG antibodies will provide. These individuals are immune and not contagious. They are able to resume their normal lives and re-join the workforce and normal activities.

(OPINION NOTE: This is a new disease for the medical community, and we are learning by current experience, rather than relying on the past. We should rely on the

scientific method to get to true answers to this and other questions. Of course, during the acute phase of the pandemic, we need to be open to scientifically based theories and save human lives with modified clinical trials. This brings medical and social ethics to the ultimate test. As a humanity, we are responding with appropriate modification of clinical trials, realizing that we are forgoing watching the disease progress without treatment. MY MEDICAL PROFESSIONAL OPINION IS THAT THIS IS NOT ACCEPTABLE IN OUR UNITED STATES. It was not the correct scientific model in the Tuskegee Airman Study and has been justly criticized today. We are dealing with humans, not laboratory animals, and the chance for treatment and cure should NOT BE WITHHELD from any person.)

F. NO KNOWN EXPOSURE TO THE VIRUS BUT HAS DEVELOPED IgG ANTIBODIES. This occurs in asymptomatic carriers who had the disease with no clinical symptoms and have recovered with active longer-term immunity. These individuals are immune and not contagious. They are safe to go about their normal lives and re-join the workforce

G. NO EXPOSURE TO THE VIRUS AND NO ANTIBODIES. These people are at risk for infection and should take maximum precautions with risk factors related to age and underlying medical conditions. When

a vaccine is developed, these individuals should be first to be vaccinated.

*Antibodies of the two types described in this paper are *IgM (immunoglobulin M), and *IgG (immunoglobulin G). *IgM is associated with EARLY phase or acute infection and, provides an IMMEDIATE response when an antigen (virus in this case) enters the body. *IgG (immunoglobulin G) responds LATER with permanent eradication of the antigen (virus in this case) and produces long-term immunity.

C. End Our Dependence on Foreign Countries for Our Critical Needs

Since the 1990s, U.S. companies have increasingly imported pharmaceutical products from China and India. The ingredients and labor are cheaper, and regulations are fewer in those countries. Result, we are now heavily dependent upon these countries for our drug and medical supplies.

The basic facts about our supply chain of drugs in the country are:

- a. China is the second largest exporter of drugs, biologicals, (drugs from natural sources) to the U.S.

- b. China is the largest supplier of medical devices.
 - a. Class 1: Bandages and gloves
 - b. Class 2: Scissors, forceps and other surgical supplies
 - c. Class 3: Pacemakers and ventilators
 - d. Class 4: Imaging devices
- c. About 80 percent of Active Pharmaceutical Ingredients come from China and India
- d. The U.S. relies upon China for 90 percent of our generic prescription medicine
- e. India provides over 40 percent of the over-the-counter drugs to the U.S.
- f. India depends heavily upon China for the ingredients in their drug production[26]

From a supply chain perspective, India is dependent upon China, factories in China have been closed to deal with the coronavirus, so India has been forced to slow production of its products coming to the U.S. Further, the Indian government has stopped the export of twenty-six pharmaceutical products, mostly antibiotics to ensure adequate supplies remain in their own country. This decision makes drug shortages a potential here in the U.S. particularly, antibiotics.

Drugs that are at risk for supply chain disruption has not been disclosed by the Federal Drug Administration. But, since China produces nearly 97 percent of the U.S. supply of antibiotics, those are a prime example of drugs that can be disrupted. Additionally, China produces 90 percent of U.S. used vitamin C, 95 percent of our ibuprofen, and 91 percent of hydrocortisone. China also produces generic drugs for U.S. distribution including HIV/AIDS, diabetes, epilepsy and Parkinson's disease. In other words, the U.S. is heavily dependent upon foreign sources of our prescription and over-the-counter, (OTC) drug supply. A supply that may be at risk the longer the impacts of the coronavirus in China impact manufacturing.

We know the Federal Drug Administration, (FDA) has asked drug companies to evaluate their supply chains with China and India and take steps to mitigate potential shortages. The question is, are U.S. manufacturers gearing up to compensate for the foreign shortfalls. Do we know the time required to start up production and to make an impact on the U.S supply for prescription and OTC drugs?

The dependence upon foreign countries for drugs is not the only medical supply item impacted. There are major medical devices that are manufactured in China. Firms in the medical device manufacturing industry produce

diagnostic, medical monitoring, and treatment equipment.[27] Surgical masks are also predominately made in China, and testing kits are made in Europe.[28] And the Center for Disease Control warns that we are in short supply of masks and testing kits.[29]

We have spent decades allowing policies that have slowly moved U.S. manufacturing to Asia. Many private sector firms talk like “our customers are number one, and “employees are our most important asset” and “we are committed to being good corporate citizens” and “our firm is committed to environmental sustainability”. [30] And yet everyone in those firms knows that when it comes to the crunch, what really matters is the short-term profit for shareholders. Even though the firm appears to have multiple goals, it actually has a de facto single bottom line.[31] This overall industrial policy that the bottom line is the most important factor in business means, that corporate profit has outweighed even certain strategic issues of our country. The health and welfare of the citizens of the U.S. is a strategic issue. Yet, we allow most of most important medical supplies come from countries that are not strategic allies.

Support President Trump’s “Buy America” Executive Order that adjusts the bidding process that evaluates how the U.S. Government buys its products.

On July 15, 2019, President Trump signed an Executive Order requiring regulations implementing the Buy American Act be changed.[32] The Buy American Act was adopted during the Great Depression, so it has been operational for the past 80 plus years. The act itself contains many exemptions, and as recently as 2017 there were attempts to expand those exemptions. The basis for exemptions is:

1. Public interest. "This exception applies when an agency has an agreement with a foreign government that provides a blanket exception to the Buy American Act." The most common exception is through the DOD, which has blanket agreements with many countries for a public interest exception to the BAA. This DOD public interest exception amounted to nearly \$2.9 billion for fiscal 2017.
2. Domestic non-availability. "Articles, materials, or supplies, either as a class or individually, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality."
3. Unreasonable cost. "Purchasing the material domestically would burden the government with an unreasonable cost. If a domestic offer is not

the low offer, this exception applies an evaluation factor to foreign offers: 6 percent is added if the lowest domestic offer is a large business and 12 percent is added if it is a small business.”

4. Commercial information technology.
5. Commissary resale.[33]

The Executive Order signed by President Trump places two tests on goods procured by the federal government when dealing with foreign products. What is the percentage of foreign components of the goods being purchased, and the evaluation process for deciding between bids that may be whole or partially foreign made.[34] The fact remains, many products today, due to materials and supplies, or unreasonable costs, are not made in the U.S. And simply having a law requiring “Buy American” does not make it happen.

There needs to be manufacturers here in the U.S. and policies of the U.S., need to bring those manufacturing plants and jobs back to our soil.

Leverage the U.S. Governments \$500 billion dollars a year buying power to get companies to

move the productions of “critical” goods and services back to the United States.

One of the most important lessons we have learned from this COVID-19 pandemic is that we desperately need NEW “buy American” laws. The new laws need to have teeth and incentives to get the manufacturers to be in business here in the States. We must create jobs here and ensure we produce goods here at home, especially those of a critical nature.

The U.S. Government in 2017 purchased about \$500 billion in goods and services. That amount is larger than the GDP of Sweden, and it carries a lot of financial and political power. The federal government buys lots of various items, from guns and butter, to copy paper and toilet paper. Our government buys computers, drugs, drug raw materials, and medical supplies. That “power of the purse” as to where purchases are made, can dictate significant economic power and ensure, at a minimum, that our critical needs are met by U.S. based manufacturers.

When the United States adopts strategic goals like the Strategic Petroleum, we change the face of our economy. Long dependent upon oil drilled in other parts of the world, The U.S. suddenly recognized its strategic need in 1973 when OPEC (Organization of Petroleum

Exporting Countries) cut production and forced a significant rise in oil prices that sent the U.S. into a recession. To fight back, we adopted several policy steps that led to the U.S. to now being the largest producer of petroleum. No longer are we dependent upon other countries.

Similar policies for other strategic supplies, including our healthcare supplies, are now needed. We see the “choke hold” the non-cooperating and dishonest countries, such as China, are applying to us. We can fix these problems, but not until we as Americans act and decide to put our United States FOOT DOWN and stop being bullied by foreign countries.

Congress will finally listen and amend the “Buy American Act” if we show our representatives that we mean business. Further restrictions on the purchase of critical goods and services from foreign nations need to be placed. The biggest problem with our current “Buy American” laws is that there are simply too many exceptions. Exceptions to the “Buy American” law have allowed more and more business to relocate overseas. They take jobs and the goods and services we need with them.

Even more troubling is the fact that a number of critical items like medical supplies, medicines and ventilators

are now almost exclusively made overseas. If our supply lines are cut off (and we currently have no back up or reserve systems in place) we could face a catastrophe much worse than the current global pandemic.

The key is creating back-up systems that can temporarily fill our needs in times of disruptions. In short, we must designate certain items as critical and the U.S. government must, no exceptions, buy those critical products from businesses in the U.S.

This does not mean that we would require all critical goods to be made in the U.S., just those goods that the government buys. To put this in perspective the total estimated buying power of all individuals, businesses, governments, etc. in the U.S. is over \$20 Trillion dollars. If the U.S. Government were required, with no exceptions, to spend their \$500 Billion dollars worth of buying power on U.S. made goods, there would be a significant positive impact on the total U.S. economy. And, while this is only a portion of overall U.S. buying power it is certainly enough to create some back-up systems to protect our future.

If companies knew they had a potential \$500 billion-dollar customer with no competition from overseas, they would be foolish to not return some of their operations to the States. This has the benefit of creating

Jobs and ensures that some of the critical goods and service, we need as a nation, our made here at home.

The US government could use the “carrot” policy rather than the “stick” with American Companies. Luring businesses to manufacture in the US could be done with tax incentives as a reward for manufacturing in the US. Much like PILOTS (Payment in lieu of taxes) are used by local and state governments, the Federal Government could have a Federal PILOT for businesses to move back to the US and to incentivize those already in the US to continue manufacturing here. The jobs saved and created, as well as, the economic comfort of knowing that the United States is self-sufficient again would be well worth the slight decrease in tax revenue that this program would cost.

D. Fully Fund and Fill the National Strategic Medical Stockpile

The United States needs to ensure that the American people are provided for in times national health emergencies or other national impactful health events. The Department of Health and Human Services, (HHS) should seek Congressional approval and fully fund and keep up to date a Strategic Medical Stockpile, (SMS).

Similar to the Strategic Petroleum Supply, the SMS would be designed to provide a basic supply of critical drugs during periods of supply chain disruption. The disruption could be either the final drug products or the active prescription ingredients.

The SMS warehouse facilities would store key medical supplies and medicines to cover planned disruptions in the supply chain of medical products. The facilities should be located in areas that permit overnight distribution, such as the FedEx facilities in Memphis, TN. This would be separate from the SMS which is designed to be a rapid response unit for medical emergencies.

The SMS would establish standards for the acquisition and storage of medical supplies for general public and medical facility consumption. The quantity of products stored would take into account the needs of medical supply companies and pharmaceutical companies as well as other related industries to react to and begin local manufacture of these goods.

In the case of pharmaceuticals, not only would supplies of finished drugs be stored, but also the Active Pharmaceutical Ingredients, allowing the companies time to start up local manufacturing and provide raw materials while establishing new supply chains.

The storage of test kits, surgical masks and similar protective equipment again would be based upon providing sufficient quantities until new supply chain manufacturing could be provided, either locally or from alternative foreign sources.

The U.S. needs to become as independent as possible in the production of pharmaceutical and medical devices.

Congress and the Executive Branch need to pass federal incentives for pharmaceutical and medical supply companies to locate new manufacturing facilities here in the U.S

States and local governments should include in their economic development incentives the fulfillment of federal economic independence policies.

When a state of emergency happens, these supplies would be issued across the country to hospitals and medical organizations. As we are seeing now, there is a huge rise in prices for some of these essential medical supplies. With government issued supplies, we wouldn't see price gouging and those in need could get what they need.

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2. Better Care for Our Veterans

The VA health system needs to implement short-term and long-term reforms to ensure timely, quality, and affordable health care for veterans.

There are 18.5 million veterans of the American Armed Forces. About one-half of those utilize the VHA for some form of health care. This can range from general medical care, to specialized care for service-related injuries. Through personal choice or position on the priority listing for VHA services, the 9.5 million veterans not in the VHA system utilize private health insurance. Of the remaining 9 million veterans, about one-third depend solely upon the VHA for medical care, and two-thirds are supplemented with private health insurance. Review of the purpose of the VA health system reveals that it was not created to take care of general health care needs, but the needs of those veterans who sustained injury while serving their country. We all know about the reports of long waits and inability to get proper care from various VA facilities in Tennessee and around the country. Our veterans deserve the best health care available, and to achieve this level of care, the VA must adapt and refocus upon its intended purpose: serving our veterans who suffered catastrophic injuries. Services the VA excels at, including treatment of veterans

suffering from amputations, burns, mental health, and spinal cord injuries should be continued.

According to the US Census Bureau, there were nearly 18.5 million veterans in the US in 2018. The VA has an enrollment of over 9 million veterans, and about 4 millions of those have service-related disabilities. The tables below from the Pew Research Center and the Census Bureau show the changing face of our veterans over the next 25 years. Of course, with the aging population, in 25 years the Gulf War and Post September 11 veterans will make up a substantial portion of the total veterans. This is a particularly challenging hurdle as the advances in medicine both on the battlefield and in hospitals means more soldiers have survived catastrophic injuries. Their survival means they will require long term and changing care over their lifetime. This is why veterans' health needs to be addressed now.

Pew Research Center & US Census Bureau:

When we talk about the 9 million veterans who utilize the VHA for their health care, it is important to note that 4 million of those have service-related disabilities. For all of these veterans, the VA is their primary health care provider. While 70 percent of the 9 million have private health insurance, the remaining 30 percent only

have the benefits of the VHA. For those with private health insurance and using a VHA facility, the VA bills the private insurance company, and provides the veteran with coverage of most their co-pays and deductibles that are normally required by private insurance.

History

When most people talk about the VA today, it's the VHA that is most often the topic. In the past when people invoked the name of the VA, it had to do with benefits, such as pension, disability checks, home mortgages and college educations. To a lesser degree is the part of the VA that handles the National Cemeteries.

The VHA began as the first federal soldiers' facility established for Civil War Veterans of the Union Army. On March 3, 1865—a month before the Civil War ended and the day before his second inauguration—President Abraham Lincoln signed a law to establish a national soldier and sailors' asylum. Renamed as the National Home for Disabled Volunteer Soldiers in 1873, it was the first-ever government institution created specifically for honorably discharged volunteer soldiers. The first national home opened November 1, 1866, near Augusta, Maine. The national homes were often called "soldiers' homes" or "military homes," and only soldiers who fought for the Union Army were eligible for admittance.

These sprawling campuses became the template for succeeding generations of federal Veterans' hospitals.

By 1929, the federal system of national homes had grown to 11 institutions that spanned the country and accepted Veterans. But it was World War I that brought about the establishment of the second largest system of Veterans' hospitals. In 1918, Congress tasked two Treasury agencies -- the Bureau of War Risk Insurance and Public Health Service -- with operating hospitals specifically for returning World War I Veterans. They leased hundreds of private hospitals and hotels for the rush of returning, injured war veterans and began a program of building new hospitals.

Following WWII, the VA took on new duties and responsibilities. These popular programs became the face of the VA for decades. The GI Bill and VA home loans are both part of the 1944 GI Bill of Rights legislation. The GI Bill covers educational cost of vocational training and college education. The VA Home Loan Program offers zero to low down payment home loans and reduced interest rates.

During the 1970-80's the VHA was known for very poor health care. As our WWII veterans began entering retirement and had an increased need for health care, Congress and the President saw the need for reform. Reorganization and elevation to a cabinet level agency

in 1989, brought that era of reform to the VHA system. By the year 2000, the VA had improved its overall quality to meet or exceed private hospitals. When the VHA scandals of 2014 broke, all credibility gained since elevation to a cabinet agency was soon lost.

Today

VHA operates as one of the largest health care systems in the world and provides training for a majority of America's medical, nursing and allied health professionals. Roughly 60 percent of all medical residents obtain a portion of their training at VA hospitals and VA medical research programs benefit society at-large. The VA health care system has grown from 54 hospitals in 1930 to 1,600 health care facilities today, including 144 VA Medical Centers and 1,232 outpatient sites of care of varying complexity.

Since September 11, the VA has moved to address the changing landscape of veterans' medical needs. Advances in battlefield medicine means more veterans survive traumatic injuries. New programs provide treatment for traumatic brain injuries, post-traumatic stress, suicide prevention, women health issues and more. The VA has opened outpatient clinics, and established telemedicine and other services to accommodate a diverse Veteran population and

continues to cultivate ongoing medical research and innovation to improve the lives of America's patriots.

The VA has been known as the organization to provide care for catastrophic wounded veterans. Even in this specific field of expertise, there are failings. There are Standards of Quality that are part of the federal record provided in the Federal Registry. Yet, as summarized by retired US Navy Captain, Bob Carey, Chief Advocacy Officer at the Independence Fund, simply getting a wheelchair can be an ordeal for wounded vets.

Current Funding

The 2020 Fiscal Year budget request for the VA is over \$220 billion dollars. That equates to about \$675 for every man, woman or child in the United States. The VA employs about 394,000 persons. The federal budget supports three branches of the VA, Veterans Health Administration, (VHA) Veterans Benefits Administration (VBA) and the National Cemetery Administration. The VHA with a 2020 Budget of \$86.5 billion, or about 40 percent of the overall VA budget, is the second largest branch of the VA. Medical research claims about \$779 million of the VHA budget. The VBA is the largest branch and covers such programs as pensions, education and rehabilitation, and home loans.

Legislation

The Veterans Choice Act of 2014, granted some veterans the access to community care. That meant medical services could be obtained under certain conditions without going to a VA facility. This program was designed as Community Care. Generally, if a veteran lived in a rural area, or could not secure a timely appointment, they could request community care citing. Delays in care and quality of care did not improve.

The MISSION Act

Signed by President Trump in June 2018, the MISSION Act expanded Community Care. The Act both shortened the distance from a facility a veteran must live to request Community Care and shortened the waiting time for an appointment. The Act also covered medical care not readily available at a veteran's local VA facility.

Currently, there are 119 bills that have been introduced in this Congress. All funding bills have been passed by both the House and Senate and signed by the President. There are no bills that have been introduced that would have a major impact on the operations of the VA.

CURRENT INSURANCE

Veterans Health Insurance

When a veteran selects Veterans Health Insurance, there is no charge for the actual insurance. The veteran is responsible to pay various co-pays and deductibles. This include prescription drugs, primary and specialty care doctors, inpatient care and long-term care. The veteran can qualify for lower cost through means testing and hardship annual status updates.

If a veteran who selects the Veterans Health Insurance, and has private insurance, the VA will bill the private company for the cost of the co-pays and deductibles for non-service-related health issues. If the payment for deductibles from private insurance does not fully cover those costs, the veteran is not responsible for making up the difference. The veteran is still responsible for any co-pays.

Tricare

Active military service personnel and retirees qualify for coverage under the US DOD health program of TRICARE. This is a regionally managed comprehensive health insurance program available to the service member or retiree and their families.

Tricare Prime Costs: Individual - \$282.60 per year
Family - \$565.20

Tricare Premium Costs: Individual - \$1,553 per quarter
Family \$3,500 per quarter

These policies offer low to zero deductible and co-pay on standard health care.

CHAMPVA

CHAMPVA is a limited and specialized health insurance program. It is offered to the "Primary Family Caregiver" of a veteran. This caregiver must not be able to have other forms of insurance. It is limited to the caregiver only, not to family members of the caregiver. Upon the change in status of the veteran where a caregiver is no longer needed, the insurance expires.

Administrative Review

The latest Government Accounting Office report on the VA found the following:

1. Between 2012 and 2018, the VA did not properly monitor wait times for appointments in either its facilities or for Community Care operations.

2. In the GAO 2017 High Risk Report, it found that the VA facilities were not adequately monitoring VA providers and thus could not report on efficiency and proper care for veterans treated by these providers.

3. In April 2019, the GAO found that the modernization of the electronic health records was in jeopardy for the fourth time.

4. In April 2019, the GAO found that holding VA facilities administrators responsible for corrective actions on long-identified issues was not being addressed, and thus the VA was failing to hold administrators accountable.

Since 2000, the GAO has made 1200 recommendations for improvements at the VA. As of 2019, about 70 percent have been implemented. This leaves about 300 recommendations outstanding. Those listed above are the major recommendations that the GAO feels are critical to improve the operations of the VA. What needs to be pointed out is that in their reports, the GAO does not identify specific VA facilities that are deficient in implementing their recommendations. One would have to review the specific VA Inspector General Reports of a facility, or similar documents maintained by the GAO to find this.

Since 2014, investigations of the VHA have revealed glaring issues with the Administration's policies and practices, including excessively long wait times and secret waitlists for health care at hundreds of Veterans Affairs (VA) facilities. A report from a VA whistleblower shows that as many as 238,000 veterans may have passed away before receiving care.

The VA health care delivery system needs comprehensive reform to ensure that America's veterans receive quality, timely, and affordable health care. The Veterans Access, Choice and Accountability Act of 2014, enacted to address some of the access and accountability issues, sadly has fallen short. The VA now needs to follow through on measures to correct current access problems and pursue a comprehensive reassessment and fundamental reform for the long term.

Changing Demands

Because of changes in demand for the VHA system and its services, determining proper policy for veteran health care is a complicated undertaking. From 2000 through 2014, the size of the US Veteran population declined by 17 percent, a significant fact being the aging and passing of WWII veterans. At the same time, the number of veterans using VHA health care increased by

78 percent, a direct result of our post September 11 wars. Also increasing are the number of non-veteran persons utilizing VHA services. Non-veterans eligible for VHA services are dependents of permanently disabled veterans and dependents of service personal who died while in service to our country. The number of non-veteran VA patients has increased faster than the number of veteran patients. As of FY 2014, non-veteran patients represent 11 percent of all VA patients. In general, VA patients receive more than half of their care through non-VA sources, relying on the VA mostly for prescription drug benefits and inpatient visits associated with surgery.

Just as the demand for better services from the VHA came in light of the influx of Vietnam veterans and the retirement of WWII veterans, today we must look at the demands presented by the aging and passing of Vietnam veterans and continued influx of veterans from post September 11 wars. The demand for future services needs to focus on:

- The long-term health impacts of deployment in Iraq or Afghanistan.
- Contingency plans for any future conflict.
- Geographic shifts in the veteran population.

In order to make good on the promise to “care for him who has borne the battle,” the VA needs to pursue short-term and long-term reforms aimed at providing timely access to quality care for current veterans and a reassessment of how best to serve the health care needs of future veterans.

SOLUTIONS

Veterans are not being served the way that they deserve by the Veterans Health Administration. 2.7 million veterans rely solely on the VA for their healthcare and the care they are getting is lacking. There are reports of long wait times and high out of pocket costs for the patient. These solutions will show how we can help our country’s bravest get the care they need.

Provide Private Medical Insurance for all Veterans

Make an annual stipend for health care insurance.

No veteran can be denied private health insurance coverage. The health care insurance will cover all non-service-related health care issues. All veterans will receive a stipend that is designed to cover the cost of the veteran’s insurance plus annual out of

pocket expenses. The stipend can be applied toward the veteran's cost for either private insurance coverage or employer- based coverage.

The veteran is free to get care from network doctors of the insurance program for non-service-related health issues without the prior approval of the Veterans' Administration. Service-related health issues may be provided by VA facilities or by private network medical persons with approval of the VA.

Health Reimbursement Account

In addition to the stipend, each veteran will have a health reimbursement account, (HRA). The HRA will cover a set amount of dollars for co-pays, deductibles and other out-of-pocket health expenses. The health provider will be able to deduct the agreed amount from the account to cover said charges. This law will provide that said reimbursement account is to be non-taxable income or a credit.

Service-Related Health Issues

The VA will continue to be the primary provider of service-related health issues. The service will include care for catastrophic injuries as listed below. The care will be provided in various VA Specialized Health

Centers, where concentrations of medical personnel specializing in that injury are available to provide the expert care some veterans need.

CATASTROPHIC INJURIES

- Persistent Vegetative State
- Traumatic Brain Injury
- Blindness
- Amputations – two amputations but not of the same limb
- Multiple Sclerosis
- Parkinson's Disease
- Lou Gehrig's Disease (Amyotrophic Lateral Sclerosis (ALS))
- Neurological Disorders
- Psychological Conditions
- Spinal Cord Injury-Quadriplegia and Quadriparesis or Paraplegia

NON-CATASTROPHIC INJURIES

- Breathing problems resulting from a current lung condition or lung disease
- Severe Hearing Loss
- Scar tissue
- Loss of range of motion (problems moving your body)
- Ulcers/Cancers caused by contact with toxic chemicals or other dangers

- Traumatic brain injury (TBI)
- Post-traumatic stress disorder (PTSD)
- Depression
- Anxiety
- Chronic (long-lasting) back pain resulting in a current diagnosed back disability

For Non-catastrophic injuries and health related issues, health services will be provided at VA Clinics in a region or by private health practitioners as approved by the VA and the veterans health insurance company.

Short-term Reforms

The VA can develop a clear and consistent strategy for ending its current crisis with the following actions:

- Settle immediate access issues.
- Resolve internal personnel and management failures, replenish clinicians, and improve access and accountability.
- Make decisions about access to care based on veteran-specific health care circumstances rather than time or distance restrictions or the

arbitrary judgment of VA administrators;

- Streamline medical claims and payments to avoid credit issues for veterans.

Long-term Reforms

The VA can develop a long-term, fiscally responsible solution to meet the changing health care needs of veterans and improve access to quality care with the following:

- Center reform efforts on veterans.
Decisions about how and where to provide health care and how to finance those services should be based on meeting the unique and changing health care needs of veterans and not the institutional or political concerns of the VA or any other governmental organization.
- Refocus efforts on service-connected health care needs.
Limited resources should be used primarily to provide the best possible care to veterans dealing with injuries or illness received in the line of duty.
- Provide appropriate services and out-source as necessary.

The VHA provides quality service to veterans with combat-related multi-trauma and service-related conditions such as post-traumatic stress disorder (PTSD). The VA should continue to invest in the research needed to improve those services.

However, if a veteran can receive better care at a non-VA facility, especially for non- service-related issues, the VA should facilitate access to those services.

- Enact fiscally responsible reforms.
Reform is not reducible to eliminating benefits or beneficiaries to balance the budget. However, reform should be fiscally responsible and provide quality care in a cost-effective way. In addition, reforms should be based on a longer-term budget window rather than short- term fixes.
- Incorporate accountability.
The VA should establish a clear line of accountability, provide access to applicable data, and publicly report on all aspects of its health care operations, including quality, safety, patient experience, timeliness, and cost-effectiveness. In addition, the VA should have the authority to hire and fire employees in a manner consistent with that in the private sector.

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3. Fund a Strategic National Medical Supply Stockpile

The U.S. government does not maintain a strategic supply of critical medicine should there be a dramatic cut off of our supply chain to both prescription and Over-The-Counter drugs. There does not need to national health emergency similar to the coronavirus pandemic we currently face. The U.S. learned in the 1970s the impact of having our supply of oil cut off. At that time, the U.S. created the Strategic Petroleum Reserve, (SPR). The SPR is intended to carry our country over another disruption of the supply of crude oil for about 165 days.

The U.S. also has a Strategic National Stockpile, (SNS). The SNS, is an emergency response agency tasked to deal with specific public health issues. The coronavirus emergency is putting the SNS to the test. At present, the SNS has been providing test kits, masks and gloves to health care providers. Some of these efforts have fallen short, as experts testified in front of Congress. This is a system of warehouses that serve state and federal agencies and not designed to provide for the general public. The stockpile contains medicine, supplies, and equipment needed to respond to specific public health emergencies. Unlike the Strategic Petroleum Reserve, which is in response to disruption of supply, SNS is a

medical response agency intended to serve federal, state and local health officials. Countries that have similar stockpiles for medical emergencies including the UK, Japan, and Israel.

The Strategic National Stockpile, (SNS) is an important part of response armament after a biological attack. The stockpile is managed by the CDC and contains antibiotics, antitoxins, vaccines, life-support medications and medical supplies. It is used to support and supplement state and local resources during a large-scale public health emergency. Within 12 hours of a request, a Push- Package containing an initial supplemental cache of medical countermeasures and supplies can be at the targeted destination. Through the various warehouses where the packages are strategically stored, their delivery is facilitated promptly.

In addition to the push-pack, a vendor managed inventory is called on to deliver ongoing medical needs and supplies.

Since the 1990s, U.S. companies have increasingly imported pharmaceutical products from China and India. The ingredients and labor are cheaper and regulations are fewer in those countries. Result, we are now heavily dependent upon these countries for our drug and medical supplies.

Basic Facts about our Supply Chain of Drugs

1. China is the second largest exporter of drugs, biologicals (drugs from natural sources) to the U.S.
2. China is the largest supplier of medical devices.
 - a. Class 1: Bandages and gloves
 - b. Class 2: Scissors, forceps, and other surgical supplies
 - c. Class 3: Pacemakers and ventilators
 - d. Class 4: Imaging devices
3. About 80 percent of Active Pharmaceutical Ingredients come from China and India.
4. The U.S. relies upon China for 90 percent of our generic prescription medicine
5. India provides over 40 percent of the over-the-counter drugs to the U.S.
6. India depends heavily upon China for the ingredients in their drug production.

From a supply chain perspective, India is dependent upon China, factories in China have been closed to deal with the coronavirus, so India has been forced to slow production of its products coming to the U.S. Further, the Indian government has stopped the export of

twenty-six pharmaceutical products, mostly antibiotics to ensure adequate supplies remain in their own country. This decision makes drug shortages a potential here in the U.S. particularly, antibiotics.

Drugs that are at risk for supply chain disruption has not been disclosed by the Federal Drug Administration. But, since China produces nearly 97 percent of the U.S. supply of antibiotics, those are a prime example of drugs that can be disrupted. Additionally, China produces 90 percent of U.S. used vitamin C, 95 percent of our ibuprofen, and 91 percent of hydrocortisone. China also produces generic drugs for U.S. distribution including HIV/AIDS, diabetes, epilepsy and Parkinson disease. In other words, the U.S. is heavily dependent upon foreign sources of our prescription and over-the-counter, (OTC) drug supply. A supply that may be at risk the longer the impacts of the coronavirus in China impact manufacturing.

We know the Federal Drug Administration, (FDA) has asked drug companies to evaluate their supply chains with China and India and take steps to mitigate potential shortages. The question is, are U.S. manufacturers gearing up to compensate for the foreign shortfalls. Do we know the time required to start up production and to make an impact on the U.S supply for prescription and OTC drugs?

The dependence upon foreign countries for drugs is not the only medical supply item impacted. There are major medical devices that are manufactured in China. Firms in the medical device manufacturing industry produce diagnostic, medical monitoring, and treatment equipment. Surgical masks are also predominately made in China, and testing kits are made in Europe. And, the Center for Disease Control warns that we are in short supply of masks and testing kits.

SOLUTIONS

The United States needs to ensure that the American people are provided for in times national health emergencies or other national impactful health events. The Department of Health and Human Services, (HHS) should seek Congressional approval and funding to create a Strategic Medical Stockpile, (SMS).

1. Similar to the Strategic Petroleum Supply, the SMS would be designed to provide a basic supply of critical drugs during periods of supply chain disruption. The disruption could be either the final drug products or the active prescription ingredients.
2. The SMS warehouse facilities would store key medical supplies and medicines to cover planned disruptions in the supply chain of medical

products. The facilities should be located in areas that permit overnight distribution, such as the FedEx facilities in Memphis, TN. This would be separate from the SNS which is designed to be a rapid response unit for medical emergencies.

3. The SMS would establish standards for the acquisition and storage of medical supplies for general public and medical facility consumption. The quantity of products stored would take into account the needs of medical supply companies and pharmaceutical companies as well as other related industries to react to and begin local manufacture of these goods.
4. In the case of pharmaceuticals, not only would supplies of finished drugs be stored, but also the Active Pharmaceutical Ingredients, allowing the companies time to start up local manufacturing and provide raw materials while establishing new supply chains.
5. The storage of test kits, surgical masks and similar protective equipment again would be based upon providing sufficient quantities until new supply chain manufacturing could be provided, either locally or from alternative foreign sources.

6. The U.S. needs to become as independent as possible in the production of pharmaceutical and medical devices.
7. Congress and the Executive Branch need to pass federal incentives for pharmaceutical and medical supply companies to locate new manufacturing facilities here in the U.S.
8. States and local governments should include in their economic development incentives, fulfillment of federal economic independence policies.

When a state of emergency happens, these supplies would be issued across the country to hospitals and medical organizations. As we are seeing now, there is a huge rise in prices for some of these essential medical supplies. With government issued supplies, we wouldn't see price gouging and those in need could get what they need.

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4. How to get ahead of the Coronavirus to protect your family and loved ones

You have likely heard more details of the Coronavirus than you every wished. If you haven't just check <https://www.cebm.net/covid-19/global-covid-19-case-fatality-rates/> now to learn the facts. Unlike the news stories I have read that are causing public panic, I want to help you by dispelling the myths and provide you with the facts. I have even read FALSE online treatments claiming you can kill the viruses by drinking bleach and other harmful products. Some are extremely harmful and it will not work, it may even kill people.

It seems that the world is currently repeating a pattern of epidemic infections. Approximately every century has faced mass devastation of human life caused by a communicable disease, and the 2020 Coronavirus seems to fit into this natural time cycle.

While this emerging pattern of worldwide pandemics is not new it does not mean, it should be taken lightly. While I do not want to cause panic or worry, but I do want you to realize this is not "just like any other flu virus" it should be taken more seriously, and treated with respect.

The Coronavirus of 2020 has been named COVID-19 by the World Health Organization.

The fatality rate varies in different countries and there are multiple factors affecting those fatality rates.

Although this disease began in a fish market in China, it is now clear that human-to-human transmission occurs. This virus is spread through respiratory droplets, which can reach within 6 feet of someone coughing or sneezing. Also, touching an infected person or surface can transmit the disease if you then touch and transfer the virus to your own eyes, nose, or mouth. Other SARS viruses can live up to 2 days on surfaces, so we assume that the Coronavirus can also contaminate a surface at least for 48 hours. On average one patient can spread the virus to 2.2 people; this means an epidemic will have the ability to increase drastically if not controlled in a timely manner.

The main control measures are isolation, infection control & quarantine of close contacts.

In China, the viral infection rate doubled every 7.4 days. It spreads rapidly because people can be contagious up to five (5) days BEFORE any symptoms develop. This means that we can only find the carriers of the disease after symptoms develop. During this time they are

highly contagious. In New York City, the doubling rate is now 3 days.

Anyone with exposure to the Coronavirus should be isolated for 2 weeks to prevent further spreading of the virus.

Potential Solutions For The Government To Control The Outbreak

1) The Most Effective, and currently partially implemented solutions

- Shut down all borders.
- ALL people coming into the U.S. should be quarantined for 2 weeks.
- Close all businesses and events for 15 days.

These solutions have been implemented in some local areas and will slow the epidemic.

2) Effective and practical

- Quarantine all people coming into the country for a 2 week period.
- Treat & isolate all current cases & quarantine all contacts of patients with the disease.

- To implement these more testing is essential.

What Can You Do NOW To Prepare

1. Slowly and methodically purchase non - perishable food (you'll need to maintain a 2-week supply for you and your family). It is important to not "make a run" to the store for all of the food and other materials.
2. Purchase adequate amounts of aspirin, acetaminophen, or other fever/pain relievers for you and your family.
3. Purchase face masks (N-95s are effective). Go online and learn the proper face mask techniques. <https://www.sfcddp.org/communicable-disease/healthy-habits/how-to-put-on-and-remove-a-face-mask/>
4. Wash your hands often and have a supply of disposable gloves. <https://www.cdc.gov/handwashing/when-how-handwashing.html>
5. Have a supply of paper towels, paper plates, toilet paper, and usual daily consumables. This is so you will not have to make unnecessary trips out in the public.

6. Practice proper social distancing. <https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus/coronavirus-social-distancing-and-self-quarantine>
7. Take the necessary time-off work and keep children home.
8. You may go outdoors but maintain proper social distancing from other persons.
9. Have TV, online access, and a radio ready for communications.

Taking these 9 simple and effective steps will ease your mind from anxiety and worry. We are attempting to turn this pandemic into an annoying inconvenience rather than a life-threatening problem.

Policy decisions need to be decided by science and facts, not politics and “sound bites”. is updated U.S. and would situations change and mirror the CDC guidelines.

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5. The Purpose of Immigration Laws

The immigration laws of the United States are intended to define who can come to the United States and for what purposes. It is often difficult to actually lay out the purpose of our laws. The Center for Immigration Study has four points that it lists as the underlining precepts of our most recent immigration law. Note that our current immigration law was adopted in 1986, and the one before that was 1965. The Center finds its three points consistent in those two laws and general policy enacted by administrations over the last 30 years.

These three points are:

1. Family Reunification – That is permitting immediate and extended family members of naturalized citizens to immigrate to the US
2. Refugees protection
3. Labor force needs

An important result of immigration policy is our long-standing acquiescence, in large-scale illegal immigration, effectively an intent to fill labor needs with cheap and docile labor and to avoid offending neighboring countries or domestic ethnic constituencies

History

In 1986, Ronald Reagan signed the Simpson-Mazzoli Act which granted amnesty to some 3 million illegal immigrants. The act required employers to verify their employees' immigration status and made it illegal to hire or recruit unauthorized immigrants. The act provided for legalization of certain seasonal agricultural immigrants. Further, the act provided for undocumented immigrants in the US before January 1, 1982 and had resided here continuously with a fine, back taxes, and admission of guilt. These immigrants also needed to prove they were not guilty of crimes.

The Simpson-Mazzoli Act did not address the status of children of undocumented immigrants who qualified under the act. President Reagan using an Executive Order legalized the status of minor children of parents granted amnesty under the immigration overhaul.

Since 2000, both bi-partisan and Republican or Democrat versions of immigration reform have been proposed in both the House and Senate. Some have passed the body they were introduced in but failed to garner support in the other body. This impasse has led to President Bush, Obama and Trump to issue Executive Orders to deal with specific immigration issues.

Current Immigration

Since 1986, the number of legal immigrants entering the US has continued to grow. The chart below shows the significant number of foreign born residents in the US.

The rate of growth began escalating in about 1970, but has gone unabated since the adoption of the Simpson- Mazzoli Act.

Policy Positions

While Congress has been unable to act, and there exists major opposition to Presidential executive action to address various immigration issues it is important to review major organization policy statement on immigration as well as the current White House policy.

Council on Foreign Relations

In 2009, the Council on Foreign Relations issued a report titled "Independent Task Force Report No. 63: U.S. Immigration Policy." The report's major points are highlighted below.

"The continued failure to devise and implement a sound and sustainable immigration policy threatens to weaken America's economy, to jeopardize its

diplomacy, and to imperil its national security," concludes a new Council on Foreign Relations (CFR) Independent Task Force co-chaired by former Florida governor Jeb Bush and former White House chief of staff Thomas "Mack" McLarty.

"The stakes are too high to fail," says the report. "If the United States continues to mishandle its immigration policy, it will damage one of the vital underpinnings of American prosperity and security, and could condemn the country to a long, slow decline in its status in the world." For this reason, the report urges: "The United States needs a fundamental overhaul of its immigration laws." [1]

Our policy on immigration has brought students, workers, and immigrants looking for a better life in the USA. Our immigration policy needs to balance homeland security, business, labor, education, health, and human rights -- All in all, a difficult task. Our immigration policy reform should consider:

1. Legal systems reform for more efficiency for part-time labor needs.
2. Enforce laws, border security, and enforce employment laws, so that only documented workers are employed.

3. Humane and orderly method for undocumented immigrants, a path to remain legally or develop a path to citizenship.
4. Offer more efficient registration for undocumented workers to sign up to pay premium taxes on their path to citizenship.
5. After a reasonable time, ICE can begin a nationwide sweep, and any who have not signed up for being taxed will be deported.

The current policy decreases respect for our borders, our lives, security, public education, social services, and us. Relations with Mexico are strained and damaged.

The task force report states:

"no enforcement effort will succeed properly unless the legal channels for coming to the United States can be made to work better." Therefore, "the U.S. government must invest in creating a working immigration system that alleviates long and counterproductive backlogs and delays, and ensures that whatever laws are enacted by Congress are enforced thoroughly and effectively."

The Task Force lays out a series of concrete, realistic recommendations for legislation and administrative reforms that would be part of an immigration policy that better serves America's national interests:

-Comprehensive immigration reform:

A new effort to pass a comprehensive immigration reform bill should be a first-tier priority for the Obama administration and Congress, and should be started without delay.

-Attracting skilled immigrants:

The United States must tackle head-on the growing competition for skilled immigrants from other countries, and make the goal of attracting such immigrants a central component of its immigration policy. The report urges an end to the hard caps on employment-based immigrant visas and skilled work visas in favor of a more flexible system, the elimination of strict nationality quotas, and new opportunities for foreign students earning advanced degrees to remain in the United States after they graduate.

-National security:

The Task Force calls for minimizing visa restrictions that impeded scientific collaboration, noting that America's long-term security depends on maintaining its place as a world leader in science and technology.

The administration should also permit a broader effort by the U.S. military to recruit recent immigrants who are not yet citizens or green card holders, so as to bolster U.S. military capabilities.

-Employer enforcement:

The Task Force supports a mandatory system for verifying those who are authorized to work in the United States, including a workable and reliable biometric verification system with secure documents. Tougher penalties should be levied against those who refuse to comply. It calls employer enforcement *“the single most effective and humane enforcement tool available to discourage illegal migration.”*

-Simplifying, streamlining, and investing in the immigration system: Congress and the Obama administration should establish a high-level independent commission to make recommendations for simplifying the administration and improving the transparency of U.S. immigration laws. The government must redouble its efforts to reduce backlogs and other unnecessary delays by investing in the personnel and technology necessary for handling visa and immigration applications efficiently.

-Improving America’s image abroad:

The administration and Congress should launch a

comprehensive review of the current security-related restrictions on travel to the United States, with an eye toward lifting restrictions that do not significantly reduce the risk of terrorists or criminals entering the country.

-Border enforcement:

The report favors the full implementation of the Secure Border Initiative to gain greater operational control of the country's borders. It also calls for the expansion of "smart border" initiatives that use information technologies and targeting tools to help distinguish individuals who may pose a security risk to the United States while facilitating easier entry by the vast majority of legitimate visitors and immigrants.

-State and local enforcement:

State and local police forces can and should be used to augment federal immigration enforcement capabilities, as long as this does not interfere with their core mission of maintaining safety and security in the communities they serve.

-Earned legalization:

The Task Force favors a policy of earned legalization, not amnesty, for many of the illegal immigrants currently living in the United States. The DREAM Act, reintroduced in the 11th Congress, provides the right

model by requiring that young people without status who wish to remain in the United States must attend college or perform military service and demonstrate good moral character in order to earn their eligibility for permanent residence.

-Upholding American values:

The report identifies three areas that need immediate and serious review--incarceration policies, the severe penalties for minor immigration and criminal violations, and policies on refugees and asylees—and offers steps to address them, including:

1. Expand the use of alternatives to detention, such as ankle bracelets or monitoring parolees.
2. Allow greater discretion in implementing some of the penalties that were previously passed by Congress, such as the mandatory three, five, and ten year bars for many returning deportees.
3. Create an office within the Department of Homeland Security that is responsible for refugee protection, and give greater priority for refugee issues throughout the Department of Homeland Security and in the White House.

The consensus on the bipartisan Task Force around these issues demonstrates that progress on immigration can be achieved. The report concludes that *“the United States has the understanding, the capabilities, and the incentives to move forward and create a more intelligent, better functioning immigration system that will serve the country’s interests. It is time to get on with the job.”*[1]

The 2016 election of Donald Trump started changes in the immigration system beginning with Presidential appointees. Berry, Appleman & Leiden LLP, a law firm that provides immigration services including citizenship and business visa, issued a white paper on immigration immediately following President Trump’s election.

It is titled, *“White Paper: High-Skilled Immigration Policy Under President Trump.”*, and begins its introduction with:

“Donald Trump’s surprise victory in the presidential election has upended the political and policy landscape for immigration. It will still fall to Congress to make substantial changes to the immigration system, but the Trump administration will have authority to reshape the lives of hundreds of thousands of unlawful immigrants and influence the ability of US companies to access and retain

highly skilled foreign workers. This paper explores how the Trump administration will approach the issue of immigration and analyzes how administrative reforms will impact U.S. companies.”[2]

Complete overall of the immigration policy began with:

The Department of Justice and the Department of State will also play key roles in developing and implementing new immigration policies. Each department has a unique role in the immigration system, and it is common for there to be competing views within an administration. For example, a change in immigration enforcement priorities by the Department of Homeland Security could affect resource demands at the Department of Justice or it could negatively affect foreign relations discussions.

Also, the Obama policy was reversed by President Trump as promised during his election campaign:

A centerpiece of Donald Trump’s campaign was his promise to rescind Obama’s executive actions on immigration reform. Obama’s most impactful policy proposal - to grant Deferred Action to approximately four million unlawful immigrant parents of US citizens and green card holders - was enjoined by a

federal court and never took effect. But the Obama administration did successfully implement many other policy memoranda and regulations that, if fully implemented, would afford some form of lawful status or work authorization to approximately 1 million individuals.

The Trump administration will seek to modify or rescind many of these policies, though it is difficult to forecast the scope and timeline of those changes. Given the huge number and broad range of individuals who would have benefited from Obama's executive actions [combined with Trump's proposals for heavy-handed enforcement against unlawful immigrants], there is a high degree of anxiety within the immigration community.[2]

President Trump's 10-point plan focused on "building a wall" on the US/Mexico border. The following priorities include a border wall along the 1900+ miles of border:

Border Wall

A priority of the Trump administration will be to show progress on his commitment to build an "impenetrable" wall. Experts disagree on how much it would cost to complete the wall (approximately 670 miles exist today along a 2,000-plus mile border), but there is little doubt

that the cost far exceeds current appropriations from Congress. Trump has stated that he will use his authority to tax remittances to Mexico to pay for the wall, but pursuing that option will take many months and will face many obstacles. We should expect that he will look for quick progress (shifting existing appropriations or sending the National Guard to the border), followed by a request to Congress for additional appropriations.

Extreme Vetting

Donald Trump has stated that he will impose “extreme vetting” on travelers from certain regions of the world. This could take many forms, including a resurrection of the post-9/11 “special regulations” program that required additional screening and exit requirements for travelers from certain countries. Civil liberties groups are concerned about religion- based screening, and business groups are concerned about the potential for travel disruption and a decrease in tourism and student enrollment in the US. Based on Trump’s campaign promises, we should expect some increase in security vetting for individuals who are either from or have traveled to certain countries or regions.

Daca (Dreamers)

President Obama's first major executive action remains his most significant: granting Deferred Action to approximately 700,000 individuals who came to the US unlawfully before the age of 16. ("Deferred Action for Childhood Arrivals" or DACA). The first DACA program, implemented in 2012 was never successfully challenged in court and was not part of the Texas vs. US legal proceeding. Nevertheless, there is a significant possibility that the Trump administration will seek to end or phase out the DACA program. Even if Trump elects to phase out DACA and not renew Employment Authorization Document (EADs) issued to DACA recipients, approximately 50,000 individuals would lose status each month. This could mean that companies will be required to terminate the employment of DACA beneficiaries at the time their employment authorization is rescinded or expires.

There is no precedent for the creation or termination of a program that is the scale of DACA, so the government will be in uncharted territory. Students and universities around the country are already rallying to the defense of DACA beneficiaries and we expect that any change to the DACA program will result in unprecedented public protests in person and through social media. Absent further action by the Obama administration, Trump

would be able to rescind or modify DACA via policy guidance.

Sanctuary Cities

A sanctuary city is not a defined term, but it generally refers to any city or jurisdiction that violates federal law by refusing to share information with federal authorities. Sanctuary cities have been around for decades, and the federal government has authority to withhold federal funding as a means of enforcing cooperation. Post-election, many jurisdictions - including Chicago, New York City, Portland, San Francisco and Seattle - have already announced that they will not cooperate with federal law enforcement actions against unlawful immigrants. We expect that the Trump administration will adopt a more aggressive position against sanctuary cities and will leverage all of the federal government's legal tools to punish those jurisdictions. But politicians in sanctuary jurisdictions often have the strong support of the people who elected them, which could set up a volatile conflict between federal officials and state and local jurisdictions.

E-verify

Trump's 10-point plan calls for the US to "turn off the jobs and benefit magnet" for undocumented workers,

which presumably means that his administration will seek to expand the use of E-Verify obligations on some or all employers. The Bush administration sought to expand use of the program by requiring federal contractors to use the system and by tying certain immigration benefits (e.g. STEM OPT) to use of the program. Due to statutory restrictions, Trump would need to pursue a similar approach as there is no simple way for the new administration to impose mandatory E-Verify on all employers in the US.

Employer participation has grown exponentially in the last ten years. In 2005, only 5,300 companies participated in E-Verify. Today, over 650,000 companies participate in E-Verify and a large percentage of new hires are now run through the electronic system.[2]

Labor investigations focus on H-1B workers displacing American citizen's jobs and penalizing employers of H-1B workers who may have replaced American citizen workers with H-1B workers.

Department Of Labor Investigations

Trump has released a short video in which he lays out the administrative actions that he will take during his first 100 days in office. His only reference to

immigration is a statement that he will “direct the Department of Labor to investigate all abuses of visa programs that undercut the American worker.” On the campaign trail, Trump focused extensively on the alleged abuse of the H-1B category by Indian outsourcing companies to displace US workers. For example, he invited laid off Disney workers to speak at campaign events where they alleged that they were displaced by H-1B workers from Cognizant and HCL. It is an open question as to whether Trump will prioritize DOL enforcement resources towards the investigation of companies that are H-1B dependent (i.e. more than 15 percent of US workforce is in H-1B status) and are engaged in offshore IT work.

Under the law, the Department of Labor (DOL) can initiate an H-1B investigation if

- (i) DOL receives a complaint from an aggrieved person or organization;
- (ii) DOL receives specific credible information from a reliable source (other than a complainant);
- (iii) the Secretary of Labor has found that an employer has, within the previous five year years, committed a willful failure of its H-1B obligations; or

(iv) the Secretary of Labor personally certifies that he or she has reasonable cause to believe that the employer is not in compliance. The penalties for violating the H-1B regulatory obligations are substantial and can include civil monetary penalties of up to \$35,000 per violation and debarment from the immigration program for up to two years. For many companies, debarment would seriously compromise their ability to do business in the U.S.[2]

New regulations for allowing postgrad students in science, technology, engineering and math to stay and work in the US 17-24 months are being considering. Some groups believe that foreign graduates take jobs from US graduates.

F-1 Optional Practice Training (Opt)

Both the Bush and Obama administrations expanded opportunities for foreign graduates of US universities to transition to the US workforce. In 2008, the Bush administration expanded post-graduate Optional Practical Training by allowing graduates with degrees in science, technology, engineering, and mathematics (STEM) fields to obtain an additional 17 months of work authorization. The Obama administration extended the STEM OPT program from 17 to 24 months of work

authorization and made other enhancements to the program.

The regulations have survived judicial review, but it is notable that groups that have supported Donald Trump have challenged the regulations at every stage of their implementation. Those groups have also advocated for tighter restrictions on the existing STEM OPT program, including higher wage obligations.

STEM OPT is a program with broad political support (“staple a green card to a US diploma”), but it has also become the target of groups that believe foreign graduates of US universities steal jobs from US workers. Any changes to the program could negatively affect the hundreds of thousands of individuals working today pursuant to the STEM OPT program. Modifications to STEM OPT would likely need to be made via a new regulation.[2]

H-1B professional worker policies have pluses and minuses and are difficult to navigate in policy form.

H-1B Professional Workers

Trump has made several contradictory remarks regarding the H-1B category. In response to questions about terminating the H-1B program, he responded that

the US needs to retain highly-skilled workers. At other times, however, he has stated that the program is abused and should be curtailed. His comments about the H-1B program clearly signal his concerns about H-1B wage protections and use of the program to displace US workers. This should be somewhat worrisome to H-1B dependent employers who are involved in outsourcing services. Indeed, on the campaign trail Trump often invited US workers who had allegedly been displaced by Indian outsourcing companies to speak at his rallies.

It is difficult to predict how Trump will navigate the H-1B issue, but we do know that opponents of the category have advocated for the following policy changes before Congress and are likely to push the new administration to implement some of the changes through administrative reform:

- Prioritize H-1B visa allocation based on salary or education levels;
- Elevate prevailing wage levels;
- Prohibit primary or secondary displacement of US workers; and
- Require employers to recruit US workers before sponsoring an H-1B visa holder.

Whether any of these can be accomplished in the absence of legislation remains to be seen. With over 20,000 different employers utilizing the visa category, any effort to restrict the category will be scrutinized and parties will pursue litigation if the government oversteps its legal authority.[2]

A little-known category (L-1) might be considered for change:

L-1 Intracompany Transfers

Though the L-1 category remained out of the spotlight during the campaign, opponents of highly-skilled immigration have been advocating for years for new restrictions on the visa category. The mostly likely scenario is that the government will seek to apply the Matter of Simeio decision to L-1B filings, which means that employers will be required to file an L-1 amendment any time an employee changes geographic locations.

This would result in new costs and operational burdens for many companies, particularly those in the professional services industries. It is also expected that the government may revisit the recent policy guidance interpreting “specialized knowledge” for L-1B petitions, which could result in further narrowing of eligibility

for the visa category. Those two changes, both of which could be made through policy guidance, would dramatically alter the L-1B landscape for employers.[2]

The U.S. involvement in NAFTA is still in flux, but TN Visas will be impacted with any NAFTA changes.

Tn (Trade NAFTA) Visas

The North American Free Trade Agreement (NAFTA) included a visa category (TN) for professionals from Canada and Mexico. That visa category was later codified into regulations, but its underlying authority remains the treaty agreement between the countries. Trump stated during his campaign that he would seek to renegotiate the terms of the treaty and, if the other countries did not agree to do the same, he would unilaterally withdraw from the treaty. Under the terms of NAFTA, any party may withdraw by providing six months' notice.

There is no precedent for the US withdrawing from a treaty like NAFTA, so it is difficult to predict what would happen to TN visa holders in the US in the event of withdrawal. Under the worst-case scenario, those individuals would lose their status and work authorization. The immigration issues are likely to be secondary to the significant trade implications, it

appears likely that there will be no significant changes to the TN category in the next few months.[2]

More government oversight of employers who employ highly-skilled immigrants will be seen.

Enforcement Trends

Employers who utilize high-skilled visa categories already face a high level of scrutiny by adjudicators and consular officers. Over the past few years, however, the number of civil and criminal investigations into alleged abuse of immigration benefits has significantly increased (e.g. B-1, H-1B, or L-1B visa categories). The new administration will likely continue this trend and, assuming Senator Jeff Sessions (R-AL) is confirmed as Attorney General, the Department of Justice will prioritize enforcement of US immigration laws.

In practical terms, this means that federal prosecutors across the country will feel empowered to aggressively pursue civil and criminal investigations against employers of high-skilled immigrants.[2]

The Berry Appleman & Leiden LLP white paper was an extensive review of the potential changes in administration policy for immigration.

The Trump White House issued its “Immigration Principles & Policies.”, on October 8, 2017 which outlines how it would address the immigration issue. The policy statement is provided below.

Immigration Principles & Policies

Border Security

A. Border Wall. Our porous southern border presents a clear threat to our national security and public safety, and is exploited by drug traffickers and criminal cartels. The Administration therefore proposes completing construction of a wall along the southern border of the United States.

i. Ensure funding for the southern border wall and associated infrastructure.

ii. Authorize the Department of Homeland Security (DHS) to raise, collect, and use certain processing fees from immigration benefit applications and border crossings.

iii. Improve infrastructure and security on the northern border.

B. Unaccompanied Alien Children. Loopholes in current law prevent “Unaccompanied Alien Children” (UACs)

that arrive in the country illegally from being removed. Rather than being deported, they are instead sheltered by the Department of Health and Human Services at taxpayer expense, and subsequently released to the custody of a parent or family member--who often lack lawful status in the United States themselves.

These loopholes in current law create a dramatic pull factor for additional illegal immigration and in recent years, there has been a significant increase in the apprehension of UACs at our southern border. Therefore, the Administration proposes amending current law to ensure the expeditious return of UACs and family units.

- i. Amend the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008 (TVRPA) to treat all UACs the same regardless of their country of origin, so long as they are not victims of human trafficking and can be safely returned home or removed to safe third countries.
- ii. Clarify that alien minors who are not UACs (accompanied by a parent or legal guardian or have a parent or legal guardian in the United States available to provide care and physical custody) are not entitled to the presumptions or protections granted to UACs.

iii. Terminate the Flores Settlement Agreement (FSA) by passing legislation stipulating care standards for minors in custody and clarify corresponding provisions of the TVPRA that supersede the FSA.

iv. Amend the definition of “special immigrant,” as it pertains to juveniles, to require that the applicant prove that reunification with both parents are not viable due to abuse, neglect, or abandonment and that the applicant is a victim of trafficking. The current legal definition is abused, and provides another avenue for illicit entry.

v. Repeal the requirement that an asylum officer have initial jurisdiction over UAC asylum applications to expedite processing.

C. Asylum Reform. The massive asylum backlog has allowed illegal immigrants to enter and stay in the United States by exploiting asylum loopholes. There are more than 270,000 pending cases in the asylum backlog before USCIS, and approximately 250,000 asylum cases before EOIR. Therefore, the Administration proposes correcting the systemic deficiencies that created the backlog.

- i. Significantly tighten standards and eliminate loopholes in our asylum system.
- ii. Elevate the threshold standard of proof in credible fear interviews.
- iii. Impose and enforce penalties for the filing of frivolous, baseless, or fraudulent asylum applications, and expand the use of expedited removal as appropriate.
- iv. Close loopholes in the law to bar terrorist aliens from entering the country and receiving any immigration benefits.
- v. Clarify and enhance the legal definition of “aggravated felony” to ensure that criminal aliens do not receive certain immigration benefits.
- vi. Expand the ability to return asylum seekers to safe third countries.
- vii. Ensure only appropriate use of parole authority for aliens with credible fear or asylum claims, to deter meritless claims and ensure the swift removal of those whose claims are denied.

viii. Prevent aliens who have been granted asylum or who entered as refugees from obtaining lawful permanent resident status if they are convicted of an aggravated felony.

ix. Require review of the asylum or refugee status of an alien who returns to their home country absent a material change in circumstances or country conditions.

D. Ensure Swift Border Returns. Immigration judges and supporting personnel face an enormous case backlog, which cripples our ability to remove illegal immigrants in a timely manner. The Administration therefore proposes providing additional resources to reduce the immigration court backlog and ensure swift return of illegal border crossers.

i. Seek appropriations to hire an additional 370 immigration judges.

ii. Establish performance metrics for immigration judges

iii. Seek appropriations to hire an additional 1,000 U.S. Immigration and Customs Enforcement (ICE) attorneys, with sufficient support personnel.

iv. Ensure sufficient resources for detention.

E. Inadmissible Aliens. The current statutory grounds for inadmissibility are too broad, and allow for the admission of individuals who threaten our public safety. Therefore, the Administration therefore proposes expanding the criteria that render aliens inadmissible and ensure that such aliens are maintained in continuous custody until removal.

i. Expand the grounds of inadmissibility to include gang membership.

ii. Expand the grounds of inadmissibility to include those who have been convicted of an aggravated felony; identity theft; fraud related to Social Security benefits; domestic violence; child abuse; drunk driving offenses; failure to register as a sex offender; or certain firearm offenses, including the unlawful purchase, sale, possession, or carrying of a firearm.

iii. Expand the grounds of inadmissibility to include former spouses and children of individuals engaged in drug trafficking and trafficking in persons, if the official determines the divorce was a sham or the family members continue to receive benefits from the illicit activity.

F. Discourage Illegal Re-entry. Many Americans are victims of crime committed by individuals who have

repeatedly entered the United States illegally, which also undermines the integrity of the entire immigration system. Therefore, the Administration proposes increasing penalties for repeat illegal border crossers and those with prior deportations.

G. Facilitate the Removal of Illegal Aliens from Partner Nations. Current barriers prevent the Federal Government from providing assistance to partner nations for the purpose of removing aliens from third countries whose ultimate intent is entering the United States. Therefore, the Administration proposes authorizing DHA to provide foreign assistance to partner nations to support migration management efforts conducted by those nations. This will allow DHS to improve the ability of Central and South American countries to curb northbound migration flows and to interrupt ongoing human smuggling, which will also substantially reduce pressures on U.S. taxpayers.

H. Expedited Removal. Limited categories of aliens are currently subject to expedited removal, which erodes border integrity and control by impeding the ability of the Federal Government to efficiently and quickly remove inadmissible and deportable aliens from the United States. The Administration seeks to expand the grounds of removability and the categories of aliens subject to expedited removal and by ensuring that only

aliens with meritorious valid claims of persecution can circumvent expedited removal.

2. Interior Enforcement

A. Sanctuary Cities.

Hundreds of sanctuary jurisdictions release dangerous criminals and empower violent cartels like MS-13 by refusing to turn over incarcerated criminal aliens to Federal authorities. Therefore, the administration proposes blocking sanctuary cities from receiving certain grants or cooperative agreements administered or awarded by the Departments of Justice and Homeland Security.

i. Restrict such grants from being issued to:

a. Any state or local jurisdiction that fails to cooperate with any United States government entity regarding enforcement of federal immigration laws.

b. Any entity that provides services or benefits to aliens not entitled to receive them under existing Federal law;

c. Any state or local jurisdiction that provides more favorable plea agreements or sentencing for

alien criminal defendants for the purpose of immigration consequences of conviction.

ii. Clarify ICE's detainer authority, and States' and localities' ability to honor that authority, so that States will continue to detain an individual pursuant to civil immigration law for up to 48 hours so that ICE may assume custody.

iii. Provide indemnification for State and local governments to protect them from civil liability based solely on compliance with immigration detainers and transportation of alien detainees.

iv. Require State and local jurisdictions to provide all information requested by ICE relating to aliens in their custody and the circumstances surrounding their detention.

v. Clarify the definition of a criminal conviction for immigration purposes, to prevent jurisdictions from vacating or modifying criminal convictions to protect illegal immigrants, and roll back erosion of the criminal grounds of removal by courts under the "categorical approach."

B. Immigration Authority for States and Localities.
The prior Administration suppressed cooperative

partnerships between the Federal Government and State or local governments that wanted to help with immigration enforcement, undermining the security of our communities. Therefore, the Administration proposes enhancing State and local cooperation with Federal immigration law enforcement in order to ensure national security and public safety.

- i. Clarify the authority of State and local governments to investigate, arrest, detain, or transfer to Federal custody aliens for purposes of enforcing Federal immigration laws when done in cooperation with DHS.
- ii. Authorize State and local governments to pass legislation that will support Federal law enforcement efforts.
- iii. Incentivize State and local governments to enter into agreements with the Federal Government regarding immigration enforcement efforts.
- iv. Provide the same extent of immunity to State and local law enforcement agencies performing immigration enforcement duties within the scope of their official role as is provided to Federal law enforcement agencies.

C. Visa Overstays.

Visa overstays account for roughly 40 percent of illegal immigration. The Administration therefore proposes strengthening the removal processes for those who overstay or otherwise violate the terms of their visas, and implementing measures to prevent future visa overstays which may account for a growing percentage of illegal immigration.

i. Discourage visa overstays by classifying such conduct as a misdemeanor.

ii. Require that all nonimmigrant visas held by an alien be cancelled when any one nonimmigrant visa held by that alien is cancelled, to ensure that if an alien abuses one type of visa, he cannot circumvent the immigration system by then relying on another type of visa to enter the United States.

iii. Bar all visa overstays from immigration benefits for a certain period of time with no waiver.

iv. Clarify that the government does not bear any expense for legal counsel for any visa overstay in removal or related proceedings.

v. Require DHS to provide all available data relating to any deportable alien to the Department of

Justice's National Crime Information Center for purposes of that alien's inclusion in the Immigration Violators File, with the exception of aliens who cooperate with DHS on criminal investigations.

vi. Enhance the vetting of bond sponsors for those aliens who enter without inspection, to ensure that bond sponsors undergo thorough background checks prior to being eligible to post or receive a bond.

vii. Permit the Department of State to release certain visa records to foreign governments on a case-by-case basis when sharing is in the U.S. national interest.

viii. Permit the Department of State to review the criminal background of foreign diplomats or government officials contained in the National Crime Information Center database before visa adjudication, regardless of whether the applicant's fingerprints are in the database.

D. Necessary Resources.

The relatively small number of ICE officers is grossly inadequate to serve a nation of 320 million people with tens of millions of tourists and visitors crossing U.S. ports of entry every year. Therefore, the Administration proposes providing more resources that are vitally

needed to enforce visa laws, restore immigration enforcement, and dismantle criminal gangs, networks and cartels.

i. Seek appropriations to hire an additional 10,000 ICE officers.

ii. Seek appropriations to hire an additional 300 Federal prosecutors to support Federal immigration prosecution efforts.

iii. Reforms to help expedite the responsible addition of new ICE personnel.

E. Detention Authority.

Various laws and judicial rulings have eroded ICE's ability to detain illegal immigrants (including criminal aliens), such that criminal aliens are released from ICE custody into our communities. Therefore, the Administration proposes terminating outdated catch-and-release laws that make it difficult to remove illegal immigrants.

i. Ensure public safety and national security by providing a legislative fix for the Zadvydas loophole, and authorizing ICE, consistent with the Constitution, to retain custody of illegal aliens whose home countries will not accept their repatriation.

ii. Require the detention of an alien: (1) who was not inspected and admitted into the United States, who holds a revoked nonimmigrant visa (or other nonimmigrant admission document), or who is deportable for failing to maintain nonimmigrant status; and (2) who has been charged in the United States with a crime that resulted in the death or serious bodily injury of another person.

F. Legal Workforce.

Immigrants who come here illegally and enter the workforce undermine job opportunities and reduce wages for American workers, as does the abuse of visa programs. Therefore, the Administration increasing employment verification and other protections for U.S. workers.

i. Require the use of the electronic status-verification system (“E-Verify”) to ensure the maintenance of a legal workforce in the United States.

ii. Preempt any State or local law relating to employment of unauthorized aliens.

iii. Impose strong penalties, including debarment of Federal contractors, for failure to comply with E-Verify.

- iv. Increase penalties for any person or entity engaging in a pattern or practice of violations.
- v. Require the Social Security Administration to disclose information to DHS to be used in the enforcement of immigration laws.
- vi. Expand the definition of unlawful employment discrimination to include replacement of U.S. citizen workers by nonimmigrant workers or the preferential hiring of such foreign workers over U.S. citizen workers.
- vii. Strengthen laws prohibiting document fraud related to employment or to any other immigration benefit.

G. Deportable Aliens.

The categories of aliens that currently qualify for deportation are insufficiently broad to remove aliens who pose a threat to the security of the American public. Therefore, the Administration proposes expanding and clarifying the type of aliens who present a danger to Americans and should therefore be removable on an expedited basis.

- i. Expand grounds of deportability to explicitly include gang members.

- ii. Expand the grounds of deportability to include those convicted of multiple drunk driving offenses or a single offense involving death or serious injury.
- iii. Expand the grounds of deportability to include those who fail to register as a sex offender.
- iv. Clarify the technical definition of “aggravated felony” by referring to “an offense relating to” each of the categories of crimes, rather than specifying the crimes themselves. This will ensure certain kinds of homicide, sex offenses, and trafficking offenses are encompassed within the statutory definition.

H. Gang Members.

Today, known gang members are still able to win immigration benefits despite the dangers they pose to American society. As such, the Administration proposes implementing measures that would deny gang members and those associated with criminal gangs from receiving immigration benefits.

I. Visa Security Improvements. Without sufficient resources, the State Department is hindered from adequately vetting visa applicants. As such, the Administration proposes enhancing State Department visa and traveler security resources and authorities.

i. Expand the Department of State's authority to use fraud prevention and detection fees for programs and activities to combat all classes of visa fraud within the United States and abroad.

ii. Ensure funding for the Visa Security Program and facilitate its expansion to all high-risk posts.

iii. Increase the border crossing card fee.

iv. Grant the Department of State authority to apply the Passport Security Surcharge to the costs of protecting U.S. citizens and their interests overseas, and to include those costs when adjusting the surcharge.

v. Strengthen laws prohibiting civil and criminal immigration fraud and encourage the use of advanced analytics to proactively detect fraud in immigration benefit applications.

2. Merit-based Immigration System

A. Merit-Based Immigration. The current immigration system prioritizes extended family-based chain migration over skills-based immigration and does not serve the national interest. Decades of low-skilled immigration has suppressed wages, fueled

unemployment and strained federal resources.

Therefore, the Administration proposes establishing a merit-based immigration system that protects U.S. workers and taxpayers, and ending chain migration, to promote financial success and assimilation for newcomers.

i. End extended-family chain migration by limiting family-based green cards to spouses and minor children and replace it with a merit-based system that prioritizes skills and economic contributions over family connections.

ii. Establish a new, points-based system for the awarding of Green Cards (lawful permanent residents) based on factors that allow individuals to successfully assimilate and support themselves financially.

iii. Eliminate the "Diversity Visa Lottery."

iv. Limit the number of refugees to prevent abuse of the generous U.S. Refugee Admissions Program and allow for effective assimilation of admitted refugees into the fabric of our society.³

In July of 2015, The U.S. Chamber of Commerce issued report on restructuring the U.S. immigration system to

increase security and promote economic growth. This study was a comprehensive 41-page report. Highlights of the Executive Summary are provided below.

It is often said, *"If it ain't broke, don't fix it."* A corollary should be, *"If it is broken, we must fix it."* In recent years, there has been a growing awareness among the American public and our representatives in Washington that our immigration system is broken and in need of reform, as leaders of both parties in both houses of Congress have recognized.

The evidence of the dysfunctional immigration system is vast. Millions of undocumented immigrants have resided in the United States for over a decade. Every year, demand for green cards exceeds supply by such an extraordinary margin that unthinkable backlogs are created and further extended. Caps for temporary work visas, as well as employment-based green cards, are so disconnected from economic demand that employers still report jobs unfilled--with neither U.S. workers nor legal visa holders qualified and available. Foreign students who earn degrees at leading U.S. universities and are poised to contribute their talents, innovations, and entrepreneurship to the economy are unable to do so. Instead, each year the United States spends billions of dollars enforcing an immigration system that is increasingly unenforceable. Our agencies are unable to

focus on criminal and terrorist threats because our border agents must spend their time apprehending and processing thousands of illegal immigrants.

However, despite years of political debates, immigration reform remains unaddressed and the current system remains broken. This logjam in Congress is due to misconceptions about how immigration impacts the economy and our national security. To address questions of how immigration impacts the U.S. economy, the U.S. Chamber of Commerce (also referred to in this paper as the “Chamber”) has played a leading role in educating the public and members of Congress about the economic potential of immigration reform.

The Chamber has held briefings for staffers and members, hosted numerous public events with leading economists and business leaders, and authored or co-authored a series of reports on the economic implications of immigration.

In 2012, the Chamber co-authored the report, *“Help Wanted: The Role of Immigrants in the Innovation Economy”*, that aimed to tackle common misconceptions about high-skilled immigrants. A follow up brief, *“Immigration Myths and Facts,”* summarized several prominent economic studies to counter the idea that immigrants take jobs away from U.S.- born workers

and burden our tax system. *“Open for Business: Spurring Local Economic Growth by Welcoming Immigrants,”* describes the experiences of state and local governments trying to revitalize their local economies by recruiting more immigrant residents and workers. Finally, a recent report, *“Immigrant Entrepreneurs: Creating Jobs and Strengthening the Economy,”* explored one way immigrants spur economic growth--by creating and owning businesses at higher rates than the population as a whole.

Building upon that research, this report offers concrete reforms to immigration laws that would promote economic growth and create American jobs. This report also addresses misconceptions concerning how immigration and national security interact. Structured properly, immigration reform will enhance U.S. national security. This report proposes various improvements to our enforcement and visa system that would improve border security, the tracking and control of foreign visitors and immigrants in our country, and ensure that all individuals and businesses respect the law.

Components Of Immigration Reform For Security And Economic Growth

The U.S. Chamber continues to believe in and strongly supports four areas of immigration reform. Together,

these four sets of reforms would both enhance national security and promote economic growth.

1. Controlling Overstays and the Nation's Borders

In recent years, there has been widespread disagreement about how to best control the nation's borders and determine whether sufficient levels of border security have been achieved. The U.S. Chamber considers it to be critically important to secure the nation's borders and ensure that border communities are safe and continue to be a vital economic engine of trade.

Over the last decade, the government has made many needed improvements in border security and in its ability to deter illegal entries at U.S. ports and airports. Still, there is much work to be done. While pursuing immigration reform, our government should continue to build on those improvements—most notably by adding a means to control and dissuade temporary legal immigrants and visitors from overstaying their visas.

2. Modernizing Legal Immigration

The U.S. Chamber believes that fundamental changes to the structure of the current immigration laws and visa programs are needed. These changes should establish visas for lesser-skilled, non-seasonal workers, and provide adequate visas for highly skilled immigrants as

well, particularly U.S.-educated STEM graduates. Such reforms should also create a workable visa that would allow farmers and growers to hire the workers they desperately need.

These changes would make the immigration system more responsive to the actual needs of the economy, giving employers an orderly, controlled avenue to hire foreign workers for jobs they would otherwise be unable to fill and reducing the incentives for illegal immigration and unauthorized employment. To keep the system from becoming quickly outdated due to changing workforce needs, caps on visas should be subject to reevaluation and adjustment based on economic realities. A transformed legal flow of immigrant labor, at all skill levels, is fundamental to the ability of the economy to grow.

3. Curbing Illegal Employment through an Updated Employment Verification System

The U.S. Chamber has previously opposed mandatory expansion of E-Verify, the voluntary electronic employment verification system run by U.S. Citizenship and Immigration Services, or associated employment verification enforcement systems. Many employers had viewed E-Verify as unworkable, burdensome and unreliable. However, the technical aspects of the E-Verify system continue to improve, allowing the

Chamber, after careful vetting with our members, to reassess our position. The Chamber now supports a uniform national policy expanding the use of E-Verify, as long as certain key conditions are met:

- Any law mandating use of the program must include language making it clear that the national E-Verify regulations preempt any similar state and local laws or regulations.
- Any new mandate should keep in place the controlling parameters established by the FAR (Federal Acquisition Regulation) Council for federal contractors' use of the E-Verify program.
- Private employers should not be required to re-verify their current workforce.
- The I-9 process should be integrated into E-Verify so employers would use a single, fully integrated employment verification system, available electronically or by phone.
- Employers should only be required to verify their own direct employees.
- Employers would have a safe harbor for good faith efforts to use the system and verify employment authorization.

- Agricultural employers, including the dairy industry, must have meaningful access to a workable program to sponsor lawful workers before being subject to any E-Verify mandate, to protect the safety, security and health of the United States food supply.

4. Ensuring a Stable Workforce - An Economy without Millions of Undocumented Workers Tolerating residency by those who enter or remain in the United States illegally cannot continue to be a feature of the U.S. immigration system. There are currently more than 11 million undocumented people living in the United States, and more than 60 percent of the undocumented population has been in the country for more than 10 years. Neither deportation nor self-deportation of such a large, established population is realistic—but finding a solution has been difficult. Acknowledging that there is no precise formula that will address all concerns, a basic structure can be proposed.

The Chamber believes that criminal background checks and national security clearances must be completed on all unauthorized immigrants currently in the United States—as is already required of legal immigrants. This would then be followed by a probationary period during which the government would need to continue

to improve border control and reduce visa overstays. Undocumented immigrants would then be required to pay a fine and show progress toward English proficiency. The government would also phase-in mandatory electronic employment verification. Only then, and under specified and strict conditions, could qualifying individuals earn legal status.

Improving Security Through Immigration Reform

The United States must work to restore the rule of law to its immigration system. To do this, leaders must recognize that border enforcement alone is not enough. No system of border security in the world has ever succeeded in preventing 100 percent of unauthorized entries. As long as significant “push” factors of crime, violence and poverty exist, immigrants will continue to desire to immigrate to the United States. However, the majority of these immigrants do not pose serious threats to the United States such as criminals or terrorists. Most simply wish to work and earn money. Many wish to work only for a period of time and then return to their own countries. Providing more legal visas for these immigrants to enter the country and work when there are not enough qualified American workers to fill vacant jobs, would channel the migrant flow through legal systems where they can be screened and vetted for

security threats. Strengthening temporary worker programs and allowing for more circular migration when work is available can also deter long-term unauthorized residence that has been engendered by the increased difficulty of crossing the border.

In addition, more efficient immigration enforcement in the interior of the country can reduce the major “pull” factor that attracts undocumented immigrants to the United States--the ability to gain work without authorization. Mandatory E-Verify, implemented along with reformed visa programs to allow employers, especially agricultural employers, to hire the workers they need, can prevent most unauthorized employment. Electronic employment verification can dry up the market for fraudulent documents that are used to overcome the current employment verification program, and impair the criminal networks that provide them. Changing the way our country deals with individuals who overstay their visas and creating additional efficiencies in the immigration court system will also improve interior enforcement efforts.

The cost of “enforcing current law” by removing the more than 11 million illegal residents in the United States today is prohibitive. Practical alternatives that incentivize undocumented immigrants to register and undergo criminal and security background checks will

greatly help law enforcement focus on the remaining criminal element. It will also remove fears in immigrant communities of reporting crime and cooperating with law enforcement, enhancing the public safety of neighborhoods across the country.

Creating Economic Growth Through Immigration Reform

U.S. immigration laws can also boost economic growth, reduce deficits and create jobs if revised to match the needs of the economy. The most fundamental change is to adjust the number of visas available to those coming to work in the United States. By revising outdated caps on high- skilled and lesser-skilled workers, and streamlining visa programs to make them more usable, employers will be able to recruit the workers they need to compete and grow. This includes revisiting the caps for H- 2B and H-1B visa programs, creating a new temporary visa program for year-round lesser-skilled workers, and revising the current H-2A agricultural worker program to make it viable for employers and workers.

Congress can also help employers better compete by modernizing the green card system. More green cards should be allocated to skilled immigrants and those coming to America to work. Further, reducing green

card backlogs, particularly for nationals of large sending countries that are crucial sources of much-needed talent, would make American companies more competitive in the global marketplace. If the number of green cards issued each year were set by economic need rather than arbitrary static caps, the system would allow more workers when needed and fewer when they are not. There should also be a dedicated green card route for U.S.-educated graduate degree holders, which would allow them to remain in the country for the long term if they have found employment. It makes no sense that our schools invest in the education of foreign students only to send them abroad to enhance foreign competition.

Finally, it is necessary to recognize that the more than 11 million illegal residents currently in the country are not going to depart on their own. Removing such individuals would not only cost more than entire budgets of most federal cabinet departments, but would also have severe economic consequences, including reducing real gross domestic product (GDP) and the size of the labor force at a time when the native-born workforce is aging and shrinking, putting burdens on federal and state entitlement programs and leaving jobs unfilled in the future. A pragmatic solution would allow this population to earn a legal status, encouraging them to pay taxes and fully contribute to the economy.

The continued security and economic health of the United States can be supported by specific changes to the immigration system. Continued inaction will perpetuate the system that currently poses security risks and drags down economic recovery. Congress has the power to make these changes and lead on this important issue for the country.[4]

SOLUTIONS

The push for Immigration Reform in a comprehensive approach has been a roadblock at addressing our out dated Immigration System in the country. We need independent but coordinated new laws that address legal immigration, border security and immigration law enforcement. Congress has failed over the past two decades to protect our national interests in regard to immigration and border security because we have tied these three issues together. We need solutions for each individually and move us toward a secure and strong nation that welcomes immigrants and deters criminals, terrorists and persons who seek to misuse our immigration system. First and foremost, our immigration laws and enforcement must protect our sovereignty and respect the rule of law.

Respect the Rule of Law

Increasingly, cities and state government have refused to enforce our Nation's Immigration Laws. All cities and states must be brought into compliance. It is understandable that otherwise law-abiding persons should not be unduly prosecuted while Congress refuses to act on immigration reform, sanctuary policies that protect criminals cannot be allowed to continue. Withholding federal funding is the strongest tool Congress has, and federal funding must be leveraged to ensure our laws are enforced.

Legal Immigration

1. Implement a merit-based Immigration System.
A merit based immigration system means that we accept those persons who are most likely to contribute long term to the growth of the country. As James Madison said during the Constitutional Convention of 1787, we should, "invite foreigners of merit and republican principles among us. America is indebted to the emigration for her settlement and prosperity." We can continue that welcoming attitude by adopting a merit based system.

A merit based immigration system should contain the following criteria:

- Ability to speak, read and write the language of the receiving nation.
 - Level of education.
 - Professional or trade licenses/ certifications.
 - Offer of employment in a certified shortage occupation.
 - Ability to support self and immediate family members.
 - Age (i.e., number of years an individual is likely to work before qualifying for government-funded retirement benefits.)
 - Record free of criminal convictions or national security concerns.
2. End Chain Migration and focus on the Nuclear Family Immigration reform should allow only immediate relatives to remain uncapped. This

means an emigrant's spouse and minor children. U.S. citizens would continue to be able to sponsor parents for a renewable temporary visa upon proof of health insurance and financial support.

3. End the Lottery Program and Immigration Caps
Immigration law allows up to 50,000 visas per year to random persons from countries with low rates of immigration to the U.S. All immigrants should be evaluated for potential citizenship rather than leaving who gets permission to come to the U.S. by chance. Congress needs to adopt new laws that put merit first, not artificial allocations by country or chance. Employment based immigrants are now subject to per-country caps. This should end.

4. End Universal Birthright Citizenship
The universal granting of citizenship to all children born in the U.S needs to end. Persons coming to the U.S. illegally or travel visas, do not meet the intent of legislation adopted since the 14th Amendment. The legislation was to be bestow citizenship upon persons who owe their permanent, undivided allegiance to the United States. This misinterpretation of the 14th Amendment must be corrected. In short, persons who enter this country illegally, cannot bestow

upon children born here, U.S. Citizenship. Further persons who travel to the U.S. for the sole purpose of giving birth here in the U.S. to gain citizenship for their off-spring needs end.

Border Security

All nations have the right, which is recognized in both international and domestic law, to secure its borders. It has the right to control persons coming into its territory. America and its people have always been a generous people. Being generous does not mitigate our duty as a country to control who and how persons enter the United States. As we saw from the events of September 11, 2001, it is a matter of national security.

1. Congress must appropriate funding for a cost-effective border security system. This includes more "Wall", technology and personnel.
2. Build a border security system that can focus all of our nation's border assets into a security infrastructure that deploys the right assets to the right place and the right time.
3. Border staffing must be a deliberate approach by Congress and the Administration that properly assigns the level of personnel most effectively to enforce our border.

David Inserra, *"House Border Security Bill a Strong Step Forward but Improvements Still Needed,"* Heritage Foundation Issue Brief No. 4778, October 30, 2017,

- The Coast Guard must be properly funded and provided the right mix of vessels, aerial systems and personnel to ensure fast response to critical situations.
- Funding levels for Mexico and other Central and South American countries should contain agreements from those countries for cooperation in stemming the caravans of potential illegal immigrants to the U.S.

Enforcement

Expand the Bush Administration Screening Process
The Bush Administration instituted changes in the traveler vetting process after the 9/11 terrorists' attacks. In 2017 alone these changes helped the Department of Homeland Security and Department of Justice identify 335 individuals on the Terrorist Screening Data Base attempting to cross into our borders. These screening processes need to be fully funded and increase investment in the use of technology should be made to further enhance this system.

U.S. Department of Homeland Security and U.S. Department of Justice, Executive Order 13780: Protecting the Nation from Foreign Terrorist Entry into the United States, Initial Section 11 Report, January 2018, (accessed February 14, 2019)

Do not grant amnesty

Granting amnesty is not the policy that promotes a lawful immigration system. Amnesty tells those potential immigrants who respect our laws, that they are not who we value to come to our country. Further, granting amnesty will only encourage new waves of illegal immigration, and in future years, new amnesty bills to correct the wrongs. This short cut system to legal status and citizenship thwarts an immigration policy that promotes assimilation and patriotic citizenship.

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6. U.S. Senators need to be prosecuted to the full extent of the law.

I am calling upon both the House and Senate Ethics Committees to immediately review the financial disclosure records of all members, officers and employees of Congress and determine who did or did not execute trades of stocks following any briefing held for members of Congress concerning the coronavirus and its potential impact on the U.S. and world economy. If such activity is found, those members need to be prosecuted in accordance with federal laws.[1] It is the Ethics Committees job to make sure members of the House and Senate abide by the laws of this country and in particular the laws Congress has passed to regulate themselves.

If any elected official profited from insider knowledge about the coronavirus pandemic, they need to be prosecuted to the full extent of the law, including possible monetary fines and jail time.

The allegations in Washington, D.C., are that elected official profited from or at the very least took steps to cut potential losses in the face of the coronavirus crisis. These actions were not taken this week or last month in

the midst of the stock market decline. These actions were taken weeks ago immediately following private intelligent briefings on the coronavirus to members of congress. The actions of four U.S. Senators are being questioned to explain their stock trading actions in late January and early February following these briefings. Members of the House have also be asked to explain their stock trading activities.

The Department of Justice, (DOJ) in coordination with the Security and Exchange Commission, (SEC) has opened an investigation into at least one Senator. The investigation by the DOJ and SEC could be months before they report anything.[2] Tennesseans deserves to know all members of Congress who may have violated our trust in them.

In 2012, Congress passed by wide margins and the President signed the STOCK Act. The Stop Trading On Congressional Knowledge Act was a direct response to findings that members of congress had taken steps to buy and/or sell stock in the face of the 2008 market crash as well as direct congressional actions that impacted particular industries and companies. The Senate passed the measure by a vote of 96-3 and the House voted 417-2.[3] According to the current United States Senate Select Committee on Ethics, "A member, officer, or employee of the Senate shall not receive any

compensation, nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of accrual of which would not occur by virtue of influence improperly exerted from his position as a member, officer, or employee.”[4] The penalties for violation of the STOCK Act are those for any insider trading, which carry a maximum of 20-years imprisonment.[5] In April of 2013, Congress slipped in an amendment to the STOCK Act, that deleted the requirement that the financial reports on security trading be made searchable online.[6] Now, you have to physically go to the House of Representatives Cannon Office Building and request records for particular people, be they members of Congress or employees. This is not the open and transparent government that was called for in original act.

I call upon all Tennesseans to demand that members of Congress be held accountable if they violated the STOCK Act. The ethics committees need to investigate and report to us the findings of the investigation. Tennesseans also need to demand that Congress put the transparency back into the law, so everyone can see what members of congress are doing. In this time of health and economic uncertainty, we need to be assured our country’s leaders have the interests of the people forefront on their mind and not their personal gain.

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[3] <https://www.govtrack.us/congress/bills/112/s2038>

[4] Ibid

[5] <https://www.congressionalinstitute.org/2018/08/16/can-members-of-congress-engage-in-insider-trading/>

[6] <https://www.npr.org/sections/itsallpolitics/2013/04/16/177496734/how-congress-quietly-overhauled-its-insider-trading-law>

7. Let's Put The Power Back in Patient's Hands

The American healthcare system has been mired in political controversy. The passing of the Affordable Care Act in 2010 had laid the foundation of the present healthcare system. The present system is very much complex with many irregularities.

The US stands out as an outlier among developed nations when it comes to the quality of healthcare. The country has no universal healthcare systems that offer equal access to affordable medical care. The major problems with this system include high costs and lack of even access to affordable healthcare services.

While the country spends far more on health than most developed countries, the outcome is less than satisfactory. There is a need to improve the American healthcare system to ensure that everyone has access to affordable healthcare.

In this white paper, we will explain the present healthcare system in the US. You will also learn about some of the irregularities with the existing system. The paper will also bring to light the efforts of the current administration in improving the healthcare system.

The healthcare system in the US differs from systems in other developed countries such as the UK where a government body regulates the industry. The American healthcare system is run by dozens of individual public and private organizations.

Healthcare expenses in the country are covered through private and public health insurance. There is no universal healthcare coverage as is provided in most of the developed countries.[1]

The Patient Protection and Affordable Care Act passed in 2010 laid the structure for the present healthcare system in the US. Majority of people in the US under the age of 65 are covered through private health insurance.[2] This is because employers are able to get insurance at a lower rate since a large number of people are covered by the policy.

Medicare and Medicaid are the two important components of the American healthcare system. They are federal sponsored programs that have been designed to reduce the healthcare cost burden for American citizens.

Medicare

Medicare is a government program designed for senior people over the age of 65 and for younger individuals with certain disabilities. Income level is irrelevant for eligibility of the program.

To become eligible, individuals must have been enrolled in a Medicare program for at least 10 years.

The federal Medicare program provides coverage for hospitalization and medical treatment costs.

Supplemental Medicare coverage – known as Medicare Advantage – is also provided by private insurance companies.

There are four different parts of the Medicare system.

Part A will cover hospital stays, skilled nursing facility stays, home health visits, and hospice care. This does require a coinsurance for extended stays in hospitals.

Part B covers doctor visits, outpatient services, preventative services, and some home health visits. There is usually coinsurance of 20 percent, but there is not charge for annual doctors' visits.

Part C is the Medicare Advantage program. Beneficiaries can enroll in private services and still have access to all covered Part A and Part B benefits.

Currently 34% of all Medicare beneficiaries are enrolled in Medicare Advantage.

Part D covers prescription drugs and is completely voluntary. Part D helps pay for drug costs and can provide additional financial assistance if you are low income. Enrollment in Part D is also through private health insurance services.

Medicaid

Medicaid is another federal healthcare plan that is targeted to low- income families. The plan provides coverage for medical and custodial care costs. As per the provisions of the Affordable Care Act, individuals with income levels at or below 133% of the federal poverty level (FPL) are covered by the program. However, some states use a different percentage limit for the program. About 26 states have specified income limits at or below 138% of the FPL for eligibility of the program.

In most states, individuals should have only a couple of hundred thousand dollars in liquid assets to become eligible for the healthcare program.

An important point to note is that senior individuals can be eligible for both Medicare and Medicaid plans. They will receive low-income benefits of Medicaid as well as

Medicare benefits for senior individuals.

Medicaid benefits differ in each state. But the federal government has made the following benefits mandatory in the plan.

- Laboratory services
- X-ray costs
- Hospitalization expenses
- Doctor services
- Nursing services
- Family planning
- Home healthcare for senior individuals
- Clinic treatment
- Midwife services
- Pediatric services

Each state also offers additional benefits to

Medicaid patients. Some of the additional benefits include optometrist services, drug coverage, medical transportation, eyeglasses, prosthetic devices, dental services, and prosthetic devices.

The government-sponsored healthcare programs account for about 25 percent of the total federal budget. The programs are funded through payroll taxes including Social Security and Medicare taxes.

In some states, hospitals are taxed to fund health assistance programs.

Medicaid is a medical assistance program with no premium or fees. On the other hand, the Medicare healthcare plan operates similar to an insurance plan. Individuals have to pay monthly premiums or fees to become eligible for the programs.

Prescription Drugs

One of the pressing issues with the American HealthCare System is high cost and access to prescription drugs.

Out-of-pocket expenses for prescription drugs in the U.S. have increased by 9 percent annually.

Americans spend nearly double on prescription costs as compared to other high-income nations.[4] The cost of drugs comprises about 17 percent of overall spending on health care services in the U.S.

Costs of prescription drugs have increased in the US since there are no federal or state bodies to regulate the prices. Drug manufacturers can increase prices whenever they want. The price increase doesn't necessarily reflect a change or improvement in the drug. The increase in drug prices affects the insured as well as uninsured Americans.

Certain drug manufacturers have 'monopoly' right over prescription drugs. The patent system gives US drug manufacturers exclusive right to manufacture the drug for up to 20 years. The government-sponsored protection prevents competition in the market resulting in exorbitant drug prices for the consumers.

Federal Drug Authority (FDA) is also to be blamed for high prescription costs borne by the consumers. The approval process can take about 3 to 4 four years. This can increase total R&D costs associated with the drug resulting in high prices.

In the US, there is no concept of negotiating drug prices with drug manufacturers. In many other developed

countries, the government meets with drug manufacturing companies to negotiate prices of new drugs. The government agencies decide whether the new drugs introduced in the market represent a significant improvement over the existing ones. This system prevents manufacturers from charging exorbitant prices for new medications.

Increasing drug costs is a concern for patients, policymakers, payers, and prescribers. Consumers are not able to afford lifesaving medications. The high cost of prescription medications also results in higher insurance premiums. Health care policymakers find it difficult to achieve the goal of affordable health care with high prescription costs.

The Rise in Prescription Costs – An Overview

Prescription drug prices have increased significantly in the US. A research study published in the JAMA medical journal found that the per capita spending on drugs was nearly \$858 as compared to the average of \$400 in developed industrialized countries.

Drug prices in the US are increasing every year resulting in an unsustainable increase in health care costs. The price of brand prescription drugs nearly doubled between the years 2008 and 2016. While the generic

prescription drug prices have been on a decline, the price of branded drugs has increased steeply from the base of \$100 in 2008 to over \$300 in 2016.

Over the past 10 years, new prices of brand drugs have increased significantly. Retail prices of many drugs have increased by over 15 percent or 130 times the inflation rate. Oral anti-cancer drug prices were six times more expensive when adjusted to inflation as compared to drug prices in 2010.

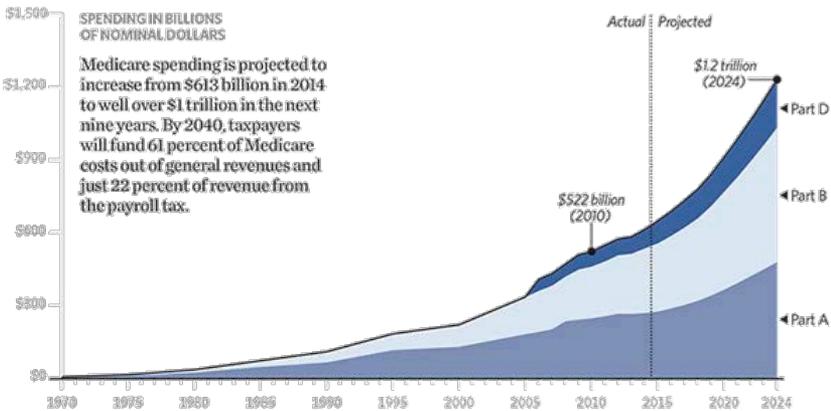
Prescription drug expenditure in the US has increased steadily over the years. The drug spending in 2005 was 205.3 billion. The spending had increased to \$253.1 billion in 2010 and \$333.4 billion in 2017. In 2019, the total spending on prescription drugs in the US is estimated to be around \$360.6 billion. This shows that drug spending in the country has increased by nearly 50 percent over the past 15 years.

Medicare, enacted along with Medicaid in 1965, is 50 years old. The program, which provides health care services to seniors and some disabled, has successfully provided its enrollees core hospital and physicians' coverage and a strong measure of financial security. However, fiscal and demographic problems that are inherent in its outdated structure threaten seniors'

future access to quality care and impose massive burdens on taxpayers.

Nothing is inevitable, but Congress will need to tackle these issues head- on if Medicare is to endure for another 50 years. Congress should look to the successful competitive models in Medicare to move toward a future that will ensure security for seniors while also protecting taxpayers.

CHART 1
Medicare Spending to Exceed \$1 Trillion in 2024



Note: Some figures have been interpolated.

Source: Centers for Medicare and Medicaid Services, "2015 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds," <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2015.pdf>, Tables III.B4, p. 54; III.C4, p. 86; III.D3, p. 105; and V.B1, p. 178 (accessed July 24, 2015).

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Total Medicare spending will jump from \$613 billion in 2014 to more than \$1.2 trillion by 2024. As a share of the general economy, Medicare spending will increase from 3.5 percent of GDP in 2015 to 6.3 percent by 2040.

Today, seniors' premiums account for just 13 percent of total Medicare funding. By 2040, seniors' premiums will increase to 17 percent of total funding, with taxpayers funding 22 percent of the cost out of their payroll taxes and almost 61 percent out of general revenues.

Based on their most recent 75-year projection, the staff at the Office of the Actuary at the Centers for Medicare and Medicaid Services (CMS) estimates that Medicare's stunning unfunded liability—the dollar value of promised benefits that are not paid for—is at \$48.79 trillion according to Truth in Accounting.

Since 1966, Congress has tried to slow Medicare costs by cutting payments to doctors and hospitals. In the 1980s, Congress created complex administrative payment formulas combined with payment caps and price controls. The results were predictable: cost shifting, underpayment and overpayment for medical services, and levels of complexity that undercut the program's efficiency. In his 2003 Senate testimony, former Medicare Administrator Thomas Scully summarized his agency's work: *"[M]y agency fundamentally spends most of its time trying to figure out what the right price is to fix for family physicians in Anchorage or hospitals in Portland."* Scully also agreed that Medicare pricing was inflexible, unable to foster innovation or reward

performance, and characterized by huge geographical disparities in payments for the same services.

With the Affordable Care Act (ACA), Congress enacted massive payment cuts and authorized new “value-based” payment systems to secure quality of care. Policymakers expect their cuts to continue Medicare’s recently slower spending growth and hope that their “delivery reforms” will have better results than previous experiments in achieving programmatic savings.

Medicare annually pays more than 1 billion claims. In 2014, the Government Accountability Office (GAO) reported that Medicare’s “improper” payments—incorrect or erroneous payments—amounted to \$60 billion. Former U.S. Attorney General Eric Holder indicated in 2012 that Medicare fraud alone ranged between \$60 billion and \$90 billion annually.

Federal authorities have been auditing, investigating, and prosecuting Medicare fraud for years while also trying mightily to stop wasteful Medicare spending. The problem is seemingly intractable, partly because of Medicare’s sheer size and complexity, as GAO officials have stated repeatedly.

Demographic Problems

Flooding Baby Boomer retirement. The 77 million Baby Boomers—those born between 1946 and 1964 after the conclusion of World War II—are nearing retirement age. This will result in a significant jump in Medicare enrollment. The Congressional Budget Office (CBO) projects that the number of Americans aged 65 and older will increase by 76 percent by 2040.

Longer dependence and fewer workers. In 1965, when Medicare was created, the average American life span was a little over 70 years of age, but in 2030, it is projected to reach almost 81 years. In 1965, there were four workers for every retiree. Today, there are roughly three workers for each Medicare beneficiary, and by 2030, that will decline to 2.3 workers for each beneficiary. Americans are living longer and longer in retirement but are supported by fewer and fewer working taxpayers.

Structural Problems

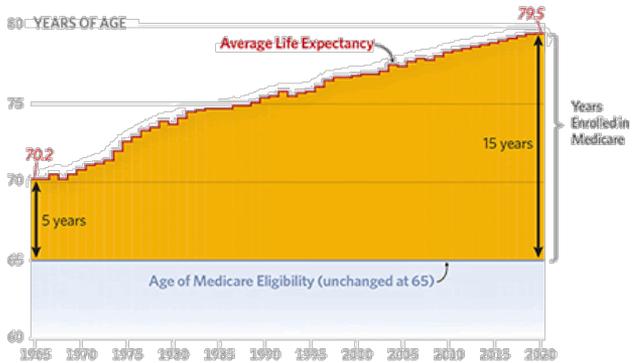
Metastasizing bureaucracy. Over the past 50 years, the Medicare bureaucracy has generated tens of thousands of pages of rules, regulations, and guidelines governing virtually every aspect of health care financing and delivery. Medical professionals have had to comply with

increasing regulatory requirements and paperwork, thereby incurring higher administrative costs. By the 1990s, the Medicare bureaucracy incurred intense hostility among medical professionals, so the Bush Administration changed the name of the Health Care Financing Administration (HCFA) to the Centers for Medicare and Medicaid Services (CMS), a more consumer-friendly name. But the agency retained its wide-ranging regulatory power. Enactment of the ACA further expanded CMS's regulatory reach, particularly with new physician and hospital reporting and compliance requirements.

CHART 2

Longer Life Expectancy Means Longer Enrollment in Medicare

The average life expectancy in the United States has increased since Medicare was created, but the program's eligibility age has remained constant at age 65. As a result, seniors collect benefits for almost three times as long compared to when the program started.



Note: Some figures from 2009 through 2020 have been extrapolated.
 Sources: U.S. Census Bureau and Medicare at Risk, <http://www.heritage.org/research/projects/medicare-at-risk-visualizing-the-need-for-reform> (accessed July 24, 2015).

Gaps in coverage

After 50 years, traditional Medicare still does not provide protection from the financial devastation of catastrophic illness. Historically, Medicare's adoption of medical treatments and new technologies has been sluggish; prescription drugs, for example, were not covered until 2003. Medicare claims rejections have also been generally higher than rejections by private insurance. Not surprisingly, 86 percent of beneficiaries enroll in supplemental insurance, which also routinely provides "first dollar" coverage of medical services. This "double coverage" arrangement, however, stimulates excessive utilization and sharply increases Medicare costs for seniors and taxpayers alike.

Uncertain access

The ACA imposes new layers of heavy regulation. Today, 83.7 percent of "office-based" physicians accept new Medicare patients. For Medicare Part B, doctors' responses to Medicare payment and the ACA regulatory regime will affect seniors' access to care. For Part A, the health law's huge payment reductions will compromise that access. According to the 2015 Medicare Trustees report, "By 2040, simulations suggest that approximately half of hospitals, 70 percent of skilled nursing facilities, and 90 percent of home health

agencies would have negative total facility margins, raising the possibility of access and quality of care issues for Medicare beneficiaries.

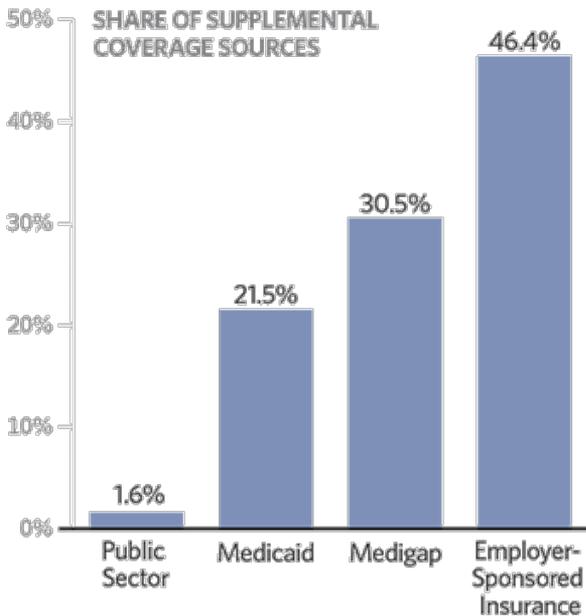
Restricting personal freedom

Medicare's original language forbids federal officials from supervising or controlling medical practice in any way. In 1997, however, Congress restricted the ability of doctors and patients to contract privately outside of Medicare for Medicare-covered services, even though no Medicare claims would be submitted for reimbursement. The law says that a Medicare patient can contract privately with a physician only if the doctor signs an affidavit to that effect, submits that affidavit to the Secretary of Health and Human Services, and refrains from billing Medicare for the treatment of any other Medicare patient for two full years. As Mark Pauly, professor of economics at the University of Pennsylvania, observes, *"In contrast to people with private insurance, people on Medicare cannot pay with their own money for something that is more medically valuable to them than it is to the Medicare bureaucracy."*

CHART 3

Sources of Supplemental Coverage Among Non-Institutionalized Medicare Beneficiaries

Traditional Medicare still doesn't provide catastrophic coverage. The program also has complex cost-sharing requirements. That is why 86 percent of beneficiaries enroll in supplemental insurance.



Note: Data are from 2011.

Source: Medicare Payment Advisory Commission, "Health Care Spending and the Medicare Program: A Data Book," June 2015, p. 25, <http://www.medpac.gov/documents/data-book/june-2015-databook-health-care-spending-and-the-medicare-program.pdf?sfvrsn=0> (accessed July 23, 2015). Note: Data for Medicare Managed Care and No Supplemental Coverage have been excluded.

Looking Ahead

While traditional Medicare Parts A and B is the fountainhead of Medicare's recurrent problems, Medicare Parts C and D, which are based on a competition, hold the solutions. With modernized funding of health plans and drugs, "Competitive Medicare" shows the potential of defined contribution financing to secure a comprehensive array of services at competitive pricing with high rates of patient satisfaction. What is important about Medicare Parts C and D is that they are private management of a government program. The popularity of Parts C and D have grown over that past few years.

Congress can build on the best features of these programs and create a modern defined contribution ("premium support") system for the entire program. Not only can Congress uses these tools to produce a better Medicare and Medicaid program, but transfer the management concept to any future health care insurance program that survives the replacement of ACA. Such reforms need to reduce bureaucracy, eliminate centralized administrative payment, control costs through intense competition on a level playing field, ensure catastrophic protection and broader benefit options, and stimulate innovation and clinical advances

in care delivery. Real reform would thus secure genuine value for Medicare dollars.

Americans have a world-class health care system with access to the latest medical innovation. But the system is also plagued by exorbitant prices. The high prescription costs make it difficult for people to afford life-saving drugs.

Solving the cost-related issues of the American health system requires some radical changes in health care policies. It is recommended that policymakers should find out the value of a drug-using cost-benefit analysis and other measures to assess whether the high prices justify the benefits. Moreover, there is a need for data analysis to keep an eye on the action of drug manufacturers. The recommended changes mentioned in the white paper can help ensure that patients and health care agencies aren't charged exorbitant prices for life-changing medications.

SOLUTIONS

President Donald Trump says he wants health reform that will be better than Obamacare, better than what we had before Obamacare, and better than the Democrats' Medicare for All. And he's not alone. Numerous surveys show that health reform remains a top priority for

Americans, who are concerned about high costs, access, and choice.

To address these problems, health reforms should focus on making it as easy as possible for people to access innovations such as:

Personal and Portable Health Insurance

In an ideal world, most people would own their own health insurance and take it with them as they traveled from job to job and in and out of the labor market. Some employers may have better insurance than is available on the open market. But others might prefer to make a cash contribution to help employees pay their own premiums rather than provide insurance directly.

Congressional action should codify what the administration has already done and expand the reform in several ways. States need broad authority to authorize insurance products that meet their residents' needs, rather than meeting Obamacare's expensive mandates. Congress also needs to give states the freedom to make reforms that would lower costs and expand access to care.

Round-the-Clock Medical Care

Concierge doctors used to be available only to the rich. Today, “direct primary care” is far more affordable. Atlas MD in Wichita, for example, provides all primary care along with 24/7 phone and email access and generic drugs for less than what Medicaid pays. They help patients gain access to specialist care and diagnostic tests, with minimal waiting. The cost: \$50 a month for a middle-aged adult and \$10 a month for a child.

There are 790 direct-primary-care practices like Atlas in the United States. Typically, they provide round-the-clock access to a physician via phone, email, and Skype. These practices have a number of attractive features — and an excellent track record: They expand access to care, improve the quality of care, reduce overall health-care spending, and report high levels of patient satisfaction.

Access to Telemedicine

The ability to deliver medical care remotely is growing by leaps and bounds. It promises to lower medical costs, increase quality, and reduce the time and travel cost of patient care. The problem? Medicare doesn't pay for any of this. And since

private insurers and employers tend to pay the way Medicare pays, the entire country is missing out on incredible advances in telemedical technology.

The CMS is acting aggressively to change this. Doctors in Medicare Advantage plans and accountable-care organizations can now bill Medicare if they use phone, email, Skype, and other technologies to consult with patients remotely to determine if they need an in-office visit. Patients can be anywhere, including their own homes. Doctors can also bill Medicare to review and analyze medical images patients send them. And they can bill for telemedical consultations with other doctors.

But these are still baby steps. Congress needs to liberate telemedicine once and for all.

Access to Centers of Excellence

On the Obamacare exchanges, there has been a race to the bottom as health plans try to attract the healthy and avoid the sick. Increasingly, enrollees have been denied access to the best doctors and the best facilities. In Dallas, Texas, for example, no individual insurance plan includes Southwestern Medical Center, which may be the best medical research center in the world. In Texas generally,

cancer patients with Obamacare insurance don't have access to MD Anderson Cancer Center in Houston. This pattern is repeated all over the country.

The most successful Obamacare insurers are Medicaid contractors. The plans that have survived in the exchanges look like Medicaid managed care with a high deductible. The networks include only those doctors who will accept Medicaid fees coupled with all the hassle of managed-care bureaucracy.

Obamacare threw out this model in favor of a D.C.-designed solution. The result? Access to care for people with preexisting chronic conditions has seriously deteriorated. That needs to change.

Entities such as Cancer Treatment Centers of America need to be able to enter the individual market, restrict enrollment to patients who have cancer, and receive a premium that covers their expected costs.

Transparency in Drug Price Fixing

Greater transparency in fixing of prices is important to prevent drug makers from charging exorbitant prices. The drug manufacturer companies should notify the drug purchasers months before the

planned increase in prices. Moreover, they should inform about the reason for the increase in drug prices.

Increased transparency will make the drug companies accountable for their actions. Consumer watchdog can investigate whether the increase in drug prices is reasonable. This will prevent drug companies from exploiting the system and charging high prices for drugs.

Track Data on Spending Trends

Policymakers should also keep an eye on drug spending trends. They should gather data about the most prescribed medications. Moreover, they should collect data on the most expensive drugs and drugs with the highest annual increase in prices.

Statistics on spending trends will help public and private policymakers know about the abusive actions of drug makers. This information will help in creating legislation to prevent high prescription drug costs.

Patient Power

How can we control health-care costs and at the same

time improve quality and create greater access to care? Here is one answer: Give patients control over more of their health-care dollars.

Roughly 25 million people now manage some of their own health-care dollars through health savings accounts (HSAs), which they own and control. The evidence shows that these patients are conservative shoppers in the medical marketplace — saving money without any deterioration in the quality or access to care. However, the potential for these accounts is much greater.

Right now, patients use HSAs primarily to pay small medical bills below their deductibles. But these accounts could and should be used in just about every aspect of medicine, including expensive surgery, chronic illness, custodial care, and emergency-room visits.

Making Medicines Affordable for Seniors:

Reforms to Medicare Payment Practices

The federal government, through Medicare, helps seniors and people with disabilities to access prescription drugs via two programs: Medicare Part D and Medicare Part B. Both programs need reform in order to address policies that provide flawed financial incentives to drug makers and insurance companies that are driving up prescription drug costs.

Part D Restructuring

There is broad consensus on the need to reform Medicare prescription drug coverage. Members of both parties agree that the Medicare Part D benefit, which was created in 2003, requires restructuring.

Under Medicare Part D, drug prices are set through negotiations between private pharmacy benefit managers and drug manufacturers without government involvement. Competing prescription drug plans sponsor insurance policies that cover drugs and set their premiums. The government subsidizes these premiums at fixed rates. Prescription drug plans compete for seniors' business based on quality and price. Seniors can choose the plan that provides them the best value, covering the medicines they take at the most affordable prices.

There is broad congressional support for restructuring the Part D benefit. Several proposals have emerged. While they differ in detail, they share two important features: They cap the amount that seniors spend annually on prescription drugs, and they shift financing in the catastrophic tier from taxpayers to Part D plans and drug manufacturers.

For a detailed analysis of these various options, see Tara O'Neill Hayes, "Competing Proposals to Medicare Part

D," American Action Forum, September 23, 2019, (accessed December 9, 2019).

The table on the next page compares the proposals with current law.

TABLE 1

Comparison of Proposals to Restructure Part D Benefit

Tier	Current Law	Senate Finance Committee	H.R. 3	House GOP Alternative (H.R. 19)
Below deductible	Beneficiary: 100% Plan: 0% Drugmaker: 0% Government: 0%	Beneficiary: 100% Plan: 0% Drugmaker: 0% Government: 0%	Beneficiary: 100% Plan: 0% Drugmaker: 0% Government: 0%	Beneficiary: 100% Plan: 0% Drugmaker: 0% Government: 0%
Tier 2	Beneficiary: 25% Plan: 75% Drugmaker: 0% Government: 0%	Beneficiary: 25% Plan: 75% Drugmaker: 0% Government: 0%	Beneficiary: 25% Plan: 65% Drugmaker: 10% Government: 0%	Beneficiary: 15% Plan: 75% Drugmaker: 10% Government: 0%
Tier 3	Beneficiary: 25% Plan: 5% Drugmaker: 70% Government: 0%	Beneficiary: 25% Plan: 75% Drugmaker: 0% Government: 0%	Beneficiary: 25% Plan: 65% Drugmaker: 10% Government: 0%	Beneficiary: 15% Plan: 75% Drugmaker: 10% Government: 0%
Catastrophic Tier	Beneficiary: 5% Plan: 15% Drugmaker: 0% Government: 80%	Beneficiary: 0% Plan: 60% Drugmaker: 20% Government: 20%	Beneficiary: 0% Plan: 50% Drugmaker: 30% Government: 20%	Beneficiary: 0% Plan: 70% Drugmaker: 10% Government: 20%
Out-of-Pocket Limit	No Limit	\$3,100	\$2,000	\$3,100

NOTE: Proposal figures are for brand name drugs, when proposals are fully phased in.

SOURCES: Congress.gov, "H.R.3 - Lower Drug Costs Now Act of 2019," <https://www.congress.gov/bill/116th-congress/house-bill/3/text?q=%7B%22search%22%3A%5B%22hr+3%22%5D%7D&r=1&s=1> (accessed December 9, 2019); Congress.gov, "S.2543 - Prescription Drug Pricing Reduction Act of 2019," <https://www.congress.gov/bill/116th-congress/senate-bill/2543/text?q=%7B%22search%22%3A%5B%22s+2543%22%5D%7D&r=1&s=2> (accessed December 9, 2019); and the Energy and Commerce Committee, "Walden, Brady, Foxx, Collins Introduce Legislation to Lower Drug Costs," December 9, 2019, <https://republicans-energycommerce.house.gov/news/press-release/walden-brady-foxx-collins-introduce-legislation-to-lower-drug-costs/> (accessed December 9, 2019).

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8. Our National Debt Just Exceeded \$23 Trillion

The power of the purse is one of the fundamental responsibilities delegated to the Congress by the Constitution. And it's clear for the last seventy (70) years, Congress has taken full advantage of this power regardless of the perilous trajectory it places on America. Congress allowed this unchecked power because they have managed to use tricks and evasion tactics to hide the true cost of their legislation.

It is, however, no secret that the U.S. federal government has a sweet spot for overspending. Every year politicians continue to spend billions of dollars more than the government takes in. If we don't control this debt, our tax rates will go up, and our standard of living will go down.

Today our debt currently averages \$70,100.00 for each American.

From 1901 onwards, the federal budget was marked by red that indicates deficits. If you study our history closely you will see that since the 1940s, our elected leaders have shown little regard for the future, but instead have embraced pushing off their responsibility to future generations. Now our debt has caught us, and

we must correct course. In the chart below, observe how the red (deficit) and black (surplus) were identical to each other till the 1940s, after which a steeper slope broke out and the two lines separated. Up until 1940, deficits and surpluses were well-balanced as stated below:

Deficit periods have 22 (55%) instances. Surplus periods have 18 (45%) instances.

However, post-1950, the distribution of deficit was 87% and surplus was 13%, signifying a growing difference. The shift occurred mainly because of a structural development intrinsic to the budgeting behavior.

Federal Spending and Revenue Patterns through U.S. History

Back in the 19th Century, budget deficits were associated with war expenses or economic depression. The Civil War from 1861-1865, Spanish-American War in 1898, and economic depressions of 1879 and 1890, all caused a \$1 billion deficit in the 50-year period from 1850-1900. Afterward, a greater balance was achieved in the federal budget, until the First World War broke out. As a result, a \$23 billion deficit was created in 1917-1919. Afterward, each budget came with a surplus for 11 consecutive years. The combination of Great

Depression and the Second World War began an extended run of deficits, causing a \$216 billion deficit from 1931 to 1946.

After the 1950s, deficits became a lot more common, especially during times of war. The years pertaining to the Korean War (1950-1953) and Vietnam War (1964-1973) are known for huge deficits. Moreover, new changes began to appear on the budget's revenue side of the balance sheet. The only surplus generated in the past 25 years was 1998 through 2001. Mid-East Wars and the Great Recession seemed to alter the responsibility of Congress to produce a closely balanced budget.

The federal budget stands as one of the most critical policy instruments of the U.S. Government. Elected leaders take key budget decisions to meet their constitutional responsibilities, showcase their priorities for certain policies, and supervise the federal purse. The federal budget demonstrates their actions to consume and invest, borrow and lend, and collect taxes and spend. Such actions represent what role the federal government plays in the national economy. This process allows policymakers to decide what the spending priorities are and identify how they can generate revenue to compensate for it. Due to the scope and size of the decisions taken for the federal budget, it is one of

the most complex and integral exercises of public policy-making.

Deficit Trends

One has to compare the deficit against the U.S.'s capability to pay it back. The GDP (gross domestic product) is used to measure this ability. This assessment is known as the debt-to-GDP ratio.

Deficits balloon up the national debt after every year. When the debt-to- GDP ratio exceeds 77%, it is only then the country hits a tipping point. At this critical juncture, lenders are worried whether it is a good strategy to purchase bonds for the country. Currently, our debt-to-GDP ratio is at 105%, making our debt \$200 billion more than our nominal GDP.

Since 1987, the deficit has been less than the debt accumulation. Afterward, Congress initiated a practice to borrow from a surplus in the Social Security Trust Fund. It was the baby boomer generation who created this surplus. The number of working people was greater when baby boomers were in their 20s and 30s. As a result, the Social Security spending was less than the payroll tax contributions. The extra revenue was then invested in bonds. The purpose of this move by Congress was to limit the issuance of treasury notes. In

the last decade, the following events were pivotal to the debt-to-GDP ratio.

Year	Deficit in billions	Debt	Deficit / GDP	Events
2010	\$1,294	\$1,905	8.6%	Simpson-Bowles, ACA, Tax cuts by Obama administration
2011	\$1,300	\$1,229	8.3%	Reduced revenue due to tax cuts and revenue, debt crisis
2012	\$1,087	\$1,274	6.7%	Fiscal cliff
2013	\$679	\$672	4%	Government shutdown, sequester
2015	\$438	\$327	2.5%	Defense
2016	\$585	\$1,423	3.1%	Defense
2017	\$665	\$672	3.4%	Defense
2018	\$779	\$1,217	4.0%	Tax cuts by Trump administration, Defense
2019	\$1,092	\$1,314	5.0%	Defense
2020	\$1,101	\$1,281	NA	Defense

The Federal Budget Process

The Federal Budget process used by the government today is the result of the Congressional Budget Act of 1974. The act is a result of the Nixon Administration’s refusal to spend funds allocated by Congress. The act created the Congressional Budget Office (CBO) and was designed to counterbalance the influence of the Office of Management and Budget (OMB) in the White House. The following process sums up the overall budget process.

Step I: Launch the Budget Request

The President sets the process in motion by submitting a budget request for the upcoming fiscal year— which

starts on October 1. The President's OMB (Office of Management and Budget) and federal agencies collaborate on an interactive process to create this request. There are three purposes behind this request.

First, the President submits recommendations to Congress. These can circle around the following aspects:

- How much of the budget should be spent on the public?
- How much tax revenues are to be collected?
- How much of a surplus or deficit can be run?

Second, priorities are laid out by the President on federal programs. This dictates his opinion on expenditures in health, education, agriculture, defense, and other areas. These directions are very specific in nature. They can also suggest funding levels for different budget accounts.

Lastly, the President can convey their thoughts about recommendations on tax policy and spending chances. The President can offer insights on annually appropriated programs, but they don't need to propose any legislation-based changes in the ongoing budget sections, which were funded by the previous laws. Moreover, the President can come up with

recommendations for mandatory programs and propose modifications in the tax code.

Step 2: Finalize Budget Resolution

In this phase, Congress organizes hearings to get feedback from Administration officials, ending with a budget plan known as a budget resolution. The Senate and House Budget Committees collaborate with the goal of drafting and enforcing this resolution. Once the budget resolutions are passed by the Budget Committees, the majority vote is used to amend them on the House and Senate floors. A conference from the House and Senate is used to address differences. After the conference agreement is approved by both the houses, the budget resolution is adopted for that year. Congress is required to pass the resolution by April 15th. Interestingly, it has become a norm for Congress to avoid passing a resolution in the recent years. Instead, they go along with a multi-year plan.

Step 3: Enact the Budget Resolution

Next, Congress reviews the annual appropriation bills. These bills are used to pay for discretionary programs in the upcoming fiscal year. Congress also assess the legislation for enacting modifications to revenue levels or mandatory spending within the resolution's dollar constraints.

Issues with the Current Budget Process

At present, the budget process faces the following stumbling blocks.

Lack of Cooperation Between Congress and the President

Congress and the President don't have any incentive to collaborate. Congress is often guilty of violating its internal agreements. Moreover, Congress and the President rarely concur on even the broadest blueprint of the budget, so negotiations on funding for countless programs that need annual appropriations is a daunting prospect.

Improper Monitoring

The budget process is unable to offer a clearinghouse for spending. The budget is expected to facilitate the President and Congress contemplating deeply and figuring out how the federal government should spend and tax in the following year. Still, barely one-third of the spending—allocated as discretionary—is subjected for yearly appropriation processes. Mandatory programs are not reviewed on a regular basis to expand ungovernable year after year. Hence, the budget process

prohibits the national policymakers to adjust tax and spending priorities with all the programs.

Biased Towards Higher Spending and Taxes

The entire process is biased towards higher spending and taxes. Multi-year constraints like discretionary spending caps and PAYGO allow policymakers having a long-term insight to curb the decisions of those annual budgeters who adopt a short-term approach. However, these constraints cannot address the dilemma of whether the process should be utilized to reduce the growth of budget deficit or to dial down the spending. Such befuddlement causes unexpected circumstances, affecting policies that would fulfill both the objectives of reducing the budget deficit and decreasing spending.

Complex Structure

The budget process is convoluted and vulnerable to abuse by those in government who get the hang of the process' intricacies. Journalists, voters, and even policymakers fail to grasp the current budget process. This is why many budgetary decisions are led by individuals who have mastered these intricacies and exploit these rules for their own benefit.

A Breakdown of Federal Budget

In March 2019, President Trump launched the budget request for FY 2020. This federal budget amounts to \$4.7 trillion. The U.S. government expects \$3.6 trillion in revenue. As a result, a \$1.1 trillion deficit is imminent from October 1, 2019 to September 30, 2020.

Revenue

Revenues are generated by taxes. These include income taxes, Medicare, Social Security, payroll taxes, corporate taxes, excise taxes, tariffs, and estate taxes.

Spending

The government plans to spend \$4.7 trillion. Around 60% of this amount is allocated for Medicaid, Medicare, Social Security, and other mandated benefits. The U.S. government also has to pay interest on a \$479 billion national debt. Remaining money is used to pay for discretionary spending.

Mandatory Spending

The mandatory spending is going to be \$2.8 trillion in 2020. Social Security (\$1.1 trillion), Medicare (\$679

billion), and Medicaid (\$418 billion) make up the biggest expenses.

Discretionary Spending

The discretionary funds are \$1.4 trillion. Most of these funds are allocated to military spending and defense-related departments. The remaining funds are used to pay for domestic programs like Housing and Urban Development, Education, and Health and Human Services.

Military Spending

The highest expense worth \$576 billion will be allocated to the Department of Defense base.

Deficit

The deficit is supposed to be \$1.1 trillion – the difference between the \$4.7 trillion in spending and \$3.6 trillion in revenue.

Spending Priorities

The Peter Peterson Foundation produced a white paper in 2019 titled The Solutions Initiative 2019 that outlines

the budgetary and spending policies of seven “Think Tanks” to bring the federal budget and long term deficit into closer balance. The policies range from conservative organizations such as American Enterprise Institute to the liberal group Economic Policy Group. Through tax and spending policies for health, social security, defense, non-defense, interest payments, and other governmental categories, the paper summarizes how best to reach a more balanced and sustainable budget.

Is Deficit Bad?

This year, the federal budget took a 26% jump and went up to \$984 billion – a hike last seen seven years ago. As a result, the government had no other option than to borrow more.

Unlike the average person, Congress and the President overspend intentionally. It is a strategy to spur economic growth. The greater the spending, the more it can stimulate the economic status.

Keep in mind that a budget deficit is not an immediate problem. When done strategically, it can put money in the pockets of families and businesses and support the industries. All of these factors build up a strong economy – the reason why other states readily offer

loans to the U.S. government. As the U.S. has always performed admirably with repayment, it has gained a great deal of trust from its investors.

SOLUTIONS

Most budget solutions you will read discuss massive cuts and while this is needed, we first must end the ways in which Congress hides how these debts and bloated budgets occur in the first place. If we just cut, the next Congress simply goes back to their old tricks and builds back up the debt. As such, these solutions embrace fiscal responsibility, streamline the budget process and ensure the overall budget is more transparent. It also identifies waste, fraud and duplicative services that must be ended to get control over our debt. As a final measure these solutions end certain tricks congress uses to avoid letting us know just how much they are spending. It should be noted that there are massive issues with our National budget, and these are simply the first of many solutions that we must exercise to get control of Congress's out-of- control spending.

Congress must end the use of Changes in Mandatory Programs (ChIMPS)

CHIMPS are a way to score savings on mandatory programs but actually disguise no savings or even

increases in spending. These are actually fake paper savings. This technique is to push the costs of a program into future years. In effect Congress creates a “Balloon” of the costs at a future date. Balloon payments are what helped create the financial crisis of 2008. In FY 2016, the Senate attempted to get control of ChIMP spending but has not phased them out.

End Timing Shifts

Congress uses timing shifts to mask the true cost of legislation. By using a 10-year budget window, congress can artificially alter the time costs and revenues are incurred or received during a program's life, and thus are able to show less impact upon the deficit and debt in order to gain approval of the program.

Time shifting may be used when known beneficiaries decrease outside of the 10-year budget window. Congress claims part of those savings early in order to slow the growth of expenditures. This technique shows false savings in a current budget cycle while hiding the true cost in future years. Basically, Congress uses a 10-year budget window to determine the impact of legislation. In order to lessen the impact of a pending law, they simply expend the impact beyond the 10-year window to hide the true cost. Congress can also shift revenues by adding in revenues from beyond the 10-

year window in to the 10th year. In short, they claim savings beyond the 10-year window and push expenditures past the 10- year window. Confusing right? Things like this are the reason I'm running!

End Pension Smoothing

Pension Smoothing is just another form of a time shift. Congress simply counts money into the Treasury now that will not come until the future. This trick is used by Congress to delay making mandatory pension payments. This trick must also end because it not only creates debt, it may result in some companies paying a higher tax bill.

Stop Double Counting Federal Trust Fund Savings

This trick uses a Congressional scorekeeping practice that makes broad assumptions on what benefits are derived from federal trust funds, like Social Security and Medicare Part A. These benefits will continue to be paid on schedule, regardless of the actual ability of the trust to supply these funds. This is most concerning because both Medicare and Social Security trusts are projected to be insolvent within the next 20 years. Once they are solvent, the government can bail them out with a general fund transfer, but since the Congressional

Budget Office (CBO) has already accounted for the expenditure, the bail out will not be recorded as a cost. This trick is also one of the tools democrats used to justify passing the Affordable Care Act in 2010. At the time, the CBO estimated that the legislation would reduce budget deficits by \$143 billion between 2010 and 2019. These savings were being used simultaneously to pay for a new entitlement program as well as to increase the lifespan of the Medicare program.

If not for the use of these made-up “savings,” the legislation would have been scored as increasing the deficit and would have run afoul of the Senate Byrd Rule.

Require all Savings to be Specific

Each fiscal year Congress lays out unspecified budget savings in an effort to appear to “balance the budget.” Many of these unspecified savings are not realized or are impossible to track. In FY 2017, the House Budget Committee pushed a resolution with \$530 billion in unspecified savings. In FY 2018, the budget resolution contained approximately \$730 billion in this category. Focusing on firm debt reduction strategies will allow us to better control our over spending.

Enact S.63: Bipartisan Budget and Appropriations Reform Act of 2019

The bill, if enacted, modifies the federal budget process and create a requirement of biennial congressional budget resolutions, instead of the current annual budget resolutions. It does not change the current annual process for appropriation bills and budget reconciliation.

Adjustments in the budget process would include:

- Move the budget resolution to a two-year cycle, while maintaining annual appropriations.
- Require more involvement from Senate spending and taxing committees, including requiring detailed spending and revenue plans to better inform budget development.
- Focus on fiscal sustainability by requiring the budget resolution to establish a debt-to-GDP target backed by a deficit-reducing special reconciliation process to promote adherence to the budget plan.
- Create a mechanism within the regular budget process to end the brinkmanship surrounding the statutory debt limit by conforming the limit to levels called for in the budget resolution.

- Establish an optional new bipartisan budget pathway through which the budget would set a glide slope of deficit reduction that includes health care, revenue levels, and appropriations, and tax expenditures. Such bipartisan budgets would require the support of at least 60 Senators, including at least 15 members of the minority party, and would be considered in the Senate under expedited procedures jointly agreed to by the Majority and Minority Leaders.
- Provide a more orderly, deliberative process for Senate consideration of budget resolutions that preserves the ability of Senators on both sides of the aisle to offer amendments.
- Enhance fiscal transparency by requiring that up-to-date tabulations of congressional budget action be publicly posted and that information on the interest effects of authorizing and revenue legislation be included in cost estimates prepared by the Congressional Budget Office. The legislation also supports transparency efforts underway at CBO.
- Require CBO and the Government Accountability Office to regularly review and report to Congress on portfolios of federal spending to help lawmakers make more informed budgetary decisions.

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9. 1.7 Trillion of Outstanding Student Loan Debt

Many people are still feeling the magnitude of the 2008 recession. A recession that could have been avoided if we'd gotten control of the subprime lending issues that ultimately caused massive job losses, devaluing of retirement savings, and families losing their homes. Unfortunately, those in charge ignored the problems and the American public were the ones that suffered.

Student loans are now the second-largest category of U.S. household debt with nearly \$1.7 trillion owed. This debt stops people from experiencing the American dream and will eventually collapse our economy. Just like in 2008, most people are unaware of the cliff we are headed towards. Our current student debt crisis is spiraling out of control and is pushing our economy to its collapse. Here are just a few of the top concerns that we must deal with:

1. College tuition has more than doubled since the 1980s.
2. More than 3 million senior citizens in the US are still paying off their student loans.

3. As many as 40% of borrowers could default on their student loans by 2023.
4. Some have drawn parallels between the student-debt crisis and the subprime-mortgage disaster.
5. Nearly 50% of millennials who have or had student-loan debt think college wasn't worthwhile.
6. Student loan debt has seen a growth of almost 157% since the Great Recession and is the fastest-growing portion of the total household debt in the U.S.
7. There are 44 million student loan borrowers in this country. 65% of college seniors who graduated from nonprofit colleges in 2017 had student loan debt. We're seeing an average of \$35,000 in student loan debt per student by the time of graduation.
8. As of 2018, roughly 1 out of 10 people with student loans were late with (or completely missed) their payments. That's the highest 90-day delinquency rate of all household debt—outranking auto loans, credit card debt and mortgages!

What Is the U.S. Department of Education?

The U.S. Department of Education administers and coordinates most federal assistance to education. It

assists the president in executing his education policies and implementing laws enacted by Congress. The Department's mission is to serve America's students-to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

When Congress created the Department in 1979, it declared these purposes:

1. to strengthen the Federal commitment to ensuring access to equal educational opportunity for every individual.
2. to supplement and complement the efforts of States, the local school systems and other instrumentalities of the States, the private sector, public and private educational institutions, public and private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education.
3. to encourage the increased involvement of the public, parents, and students in Federal education programs.
4. to promote improvements in the quality and usefulness of education through federally supported research, evaluation, and sharing of information.

5. to improve the coordination of Federal education programs.

6. to improve the management and efficiency of Federal education activities, especially with respect to the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds; and

7. to increase the accountability of Federal education programs to the President, the Congress and the public. (Section 102, Public Law 96-88)

When one evaluates the role of the Department of Education, it can be broken down into four areas. Higher Education, Primary and Secondary Education, Equal access and opportunities for all and educational research.

In the 1860s, a budget of \$15,000 and four employees handled education fact-finding. By 1965, the Office of Education had more than 2,100 employees and a budget of \$1.5 billion. Fifteen years later when the Department of Education was created, it had a budget of \$14 billion. The 2018 appropriation for Education was over \$100 billion dollars and 3,672 employees. This is down over 10 percent from when Trump took office.

When you look at the original \$14 billion-dollar budget in 1980, and adjust for inflation, the Department budget should be \$46 billion dollars. The current budget is well over two times the inflation rate. Since President Trump has taken office, he has cut nearly 20 percent of the budget.

Who is served?

Student loans serve a wide variety of students, from recent high school graduates seeking college degrees to students at the bachelor and post graduate levels. They may be trying to either learn a trade at technical schools or further their education and learn new job skills. The simple fact is that once a prospective student completes a FAFSA, (Free Application for Federal Student Aid), they almost automatically become eligible for a student loan. When they receive a loan, it can be used for tuition, fees, books, and/or living expenses.

The Rise of Student Loan Borrowing

For the past decade, the average student loan debt has been on a significant rise. A combination of factors attributes to this rise in debt. Due to economic conditions, students were encouraged to stay in school. The lending principals for graduate school were even more lenient than they were for undergrads. Because of the recession and lack luster economy of the past

decade, students found it easier to go on to advanced degrees rather than seek employment upon graduation.

In the 1970's, students were expected to complete a four-year degree in four years. Today over half of students complete a four-year degree in six years, further increasing student loan borrowing and the debt. The official four-year graduation rate for students attending public colleges and universities is 33.3% and the six-year rate is 57.6%. At private colleges and universities, the four-year graduation rate is 52.8%, and 65.4% earn a degree in six years.

History

The role of the federal government in higher education dates back to the Civil War, when the 1862 Morrill Act established "land grant" colleges, where every state had at least one college that focused on agriculture and engineering. Many states had two, and other states, with native American tribe universities, had several. To help support these land grant colleges, the federal government pledged research grants and federal dollars to become a source of funding for these institutions.

Since the end of WWII and the GI Bill, federal support for higher education has steadily grown. With the passage of the National Defense Education Act in 1958, and the National Higher Education Act of 1965, colleges

and universities have found new sources of federally subsidized funding for higher education. These sources include Pell Grants and Direct Student Loans. Today, these federal sources that include grants, loans, and research grants make up 47% of the revenue for colleges and universities.

Grants and Loans

Pell Grants are given to lower income individuals and generally do not have to be repaid by the recipients. In 1975, a Pell Grant covered 79 percent of the cost of tuition, fees, and room and board at a four-year public college. An economically disadvantaged student with a 1975 Pell Grant could easily supplement the additional 20 percent of tuition fees with work-study programs at a university. Today, a Pell Grant only covers 29 percent of those same costs. That student must now rely on loans to make up a significant part of the balance. These economically disadvantaged students make up the highest percentage groups who are defaulting on their direct student loans.

Current State

Between 1988 and 2018, tuition rose more than 200% at four-year public colleges, and almost 130% at private nonprofit colleges. There is a big difference, however, in the shockingly high sticker prices and the actual amount

most students end up paying. After accounting for scholarships and grants, the average student in 2017 only paid about 58 percent of the sticker cost of tuition. Since the mid-1980s, the level of state appropriations for public higher education has fallen by about 30%. This is the driving force of increased college costs for the American student. That cost difference has been paid for generally by student loans, and Congress has responded by increasing the number of dollars students and parents may borrow to make up this difference. However, Congress has not increased the accountability of colleges and universities for the graduates they produce. Along with the cost of college, the cost of living has also been rising, while family income has stayed flat since the late 1990s. So for many students who want to get an advanced degree, their only option is to borrow more money.

College Debt – The Graduate

Some make the argument – such as the New York Federal Reserve Bank – that college tuition increases are fueled by the federal student loan policy. They know that families and students can get government loans, either a Direct Student Loan, or Direct Plus Loan, and colleges are not forced to keep tuition costs in check. This allow students to leave our colleges and universities with a bachelor's degree and an average of \$23,000 in Direct Student Loan debt. Those seeking post-graduate

degrees see an even higher average debt. The typical graduate with a master's degree incurs an additional \$66,000. That adds up to \$90,000 in debt.

So, when one does an analysis of student debt to projected first year earnings, what are students actually getting? For a person with a bachelor's degree, their starting salary of \$32,000 gets them an income to loan ratio of 1:4. Historically the ratio of income to loan has remained constant since the 1970's. However, for someone with a master's degree, today's starting salary of \$50,000 gets them an income to loan ratio of .55, which is a significant burden on non-professional master's degree graduates.

College Debt – The Nation

The total student debt in the United States stands at over \$1.5 trillion dollars and the economic impact of this debt is felt in numerous areas nationwide. Business Insider published an article in October 2019 citing 11 reasons why the Student Debt issue could become a national crisis. These student debt articles cite that wages have increased only 67 percent since the late 1970's but college tuition has increased by over 200 percent. Additionally, in the late 70's student loan debt was not counted toward credit worthiness when making major purchases such as autos , appliances and houses. Congress reaction to the crisis has been to simply raise

the level of permitted annual debt by students, and declare the issue solved.

It's clear that the economic impact of student loan debt on millennials is a complex problem. Its potential impact on the overall U.S. Economy may be felt for years, as millennials continue to delay entering the housing

market, and the associated stimulus spending that home ownership generates in the economy. Realistic steps must be taken not to forgive this debt, but to help this generation manage it, without adding to unmanageable debt in the future as Congress has so happily done in the past.

College Debt – Default

The most alarming finding by the Brookings Institute on college debt default, was that African Americans with a bachelor's degree default on their student loans at five times higher than the rates of white students with a bachelor's degree. According to the Brookings study, once a graduate is in a payment program, default rates begin to climb after 12 years. While only 11 percent of student debt is delinquent, nearly half of all student debt is in forbearance, deferment, or still in grace periods. The highest group of student loan borrowers in default, are those who do not attain graduation, from a

technical school, community college or a four- year program.

Defaulting on a federal student loan has significant repercussions. First, a person no longer qualifies for a federal student loan. Second, the federal government is authorized to take your federal tax refund. Third, they may garnish up to fifteen percent of your wages.

College Debt – Loan Forgiveness

There are four main paths for receiving loan forgiveness: working in Public Service, becoming a Teacher, having a Disability and going into Nursing. Apart from disability, forgiveness is only given on the remaining balance of your loans after 10 years. What this system encourages is creating a payment plan that pays the lowest possible amount per month, which may mean that the interest accumulates faster than the payments. If you do not complete the 10-year period, you are left with a significantly higher debt.

College Debt – Government Bailout

Some politicians are advocating canceling all student debt. Moody's Investor Service predicts that wiping out student debt, as some 2020 presidential candidates have suggested, would yield a stimulus to economic activity like tax cuts in the near term. Over the longer term, it could also increase home ownership and the

number of small businesses. This would allow student borrowers to have money to pay for other necessary economic items. Note that such a plan would add an additional trillion dollars to the national debt. Some feel this is a marginal amount.

Final Thoughts

Higher education as driven by the Federal Government is a highly complex problem. A major component of the funds going to colleges and universities is from student loans. Failure to perform in repaying those loans, creates heavy costs for the borrowers. No one is questioning the requirement to perform on the part of the primary beneficiary of the loans, colleges and universities. Because federal loan money is handed out with little scrutiny as to the student's ability to pay it back, colleges have had free reign to raise prices at levels often double the inflation rate.

Flush with all that money, their first spending priority often isn't the classroom but the bureaucracy. From 1987 to 2012, America's higher education system added more than half a million administrators, doubling the number of administrators relative to the number of faculty. To pay for these ever-increasing costs, students are borrowing more money and taking on more and more debt.

Most of the loan default is from students that haven't finished college. Students who begin college but don't graduate are three times more likely to default than students who have graduated, even if they graduated with more debt. The more debt a borrower has, the more likely it is that they won't default. It's expected that someone with more debt finished their degree and has the income boost that comes with it. This could have been avoided if these borrowers knew what they were getting into when applying to college instead of just attending and falling in debt.

For starters, although median earnings are demonstrably higher for those with bachelor's degrees than for those without, half – by definition – earn less than the median. Moreover, Vedder found that more than one-third (37 percent) of college graduates are in jobs that only require a high school degree or less. 13 million recent college graduates had jobs that did not require a college degree, and still accumulated student loan debt to get there.

Then there are those who enroll in college, but never graduate. Many of them have also taken out student loans along the way, leaving them saddled with the burdensome debt at the onset of their working lives.

Not all the blame for foolish borrowing can be cast on the student. Schools, guidance counselors, parents and

popular media constantly reinforce the “necessity” of going to college. Employers largely follow suit, not because they feel college graduates are more productive, but because college graduates are ubiquitous. When everyone has a bachelor’s degree, employers tend to question what is wrong with the person who didn’t acquire one.

Enter the sheepskin effect – the idea that a bachelor’s degree is an expensive signaling device rather than an indicator of acquired skills and knowledge.

This shift in what Americans and employers believe is required has been underwritten in dramatic fashion by federal taxpayers. And that subsidization has itself greatly exacerbated the problem.

The easy money flowing out of Washington, D.C. in the form of federal student loans and grants has enabled and encouraged colleges to raise their prices recklessly. A 2015 report from the Federal Reserve Bank of New York found that for every dollar in subsidized student loans, universities raised their tuition 60 percent. Open-ended federal subsidies have also led to a facilities arms race, where climbing walls, tiger grottoes and lazy rivers have come to be expected as campus amenities.

Apart from the 1944 G.I Bill, the federal government had very limited involvement in higher education prior

to 1965. But when President Lyndon B. Johnson signed the Higher Education Act of 1965 into law as part of his “War on Poverty,” he opened the floodgates for federal student aid, making the first federally guaranteed student loans available to the general public.

Federal taxpayers now underwrite more than \$150 billion annually in federal student loans and grants, and college costs are higher than ever before. Federal higher education subsidies have not made college more affordable.

Higher education as it is currently structured – through a federally- backed accreditation regime and an open-ended federal subsidy system – is a drain on the economy. Innovative models, such as income share agreements and micro-degrees, are beginning to provide some needed alternatives on the margin.

But until the federal government steps aside and makes space for the private lending market to return, and for these innovative options to flourish, this academic albatross will continue to hang around the necks of millions of Americans. Dramatically reducing federal subsidies is the first step to relief.

Student loans have become an “entitlement” for those seeking training and/or a college education. There is no underwriting of student loans, and thus current and

future ability to pay the debt is not assessed on the front end of the loan. Furthermore, there remains no incentive on the part of the lenders, or the institutions who ultimately receive the dollars to properly counsel the students.

One thing has become increasingly clear: solutions to the high cost of higher education and the student loan crisis will not come from the higher education establishment. Our colleges and universities, their presidents, boards of trustees, state higher education systems, and the dozen or more higher education associations in Washington, D.C., have serious conflicts of interest on this issue and will not be the source of cost-cutting reforms.

SOLUTIONS

No longer can we afford to ignore the student debt crisis. We must have a multifaceted approach, focusing not just on those already in debt, but also stopping this problem from continuing. We also need to focus not only on the borrower, but increasing accountability among colleges, universities, trade schools etc. that push students to borrow more.

Transparency and Accountability

Federal Student Loans offer colleges and universities excessive funds that enable them to raise their tuition

without fear of losing customers. Instead, Americans should be holding colleges and universities accountable by tightening the purse strings coming from Washington.

- Increase accountability of colleges and universities accepting Federal loan dollars. A ranking system based on full transparency and a return on investment would provide the student borrower with much needed information when deciding on which school to attend. Knowing how well graduates are paying off their loans and how well colleges are helping to reduce the time students stay in college are just a few ways to help the borrower make an informed decision.
- Establish systems to incentivize students for finishing college in less time. The Federal Student Loan Program for undergraduate should be limited to four academic years. This will promote colleges to design programs that serve a student's need finish in a timely manner. The national average to complete college is now over 5 years with many students taking even more time. This increased time only benefits the schools, as a means of increasing their revenue, not those going into debt to pay for it. More time in school = more tuition for the colleges. It's sad that these

institutions only have the bottom line in mind and not the harmful impact debt causes to students long term.

- Federal loans can only be applied toward tuition, books and room and board. They may not be used for general living expenses. The loans are to be provided directly to the institution who will hold the funds for the students. Excess funds may be held over for the future academic years. At graduation or withdraw from the institution, excess funds are to be returned to the lender. Many people work and go to school, others have found it easier to borrow money to live, the long-term repercussions outweigh the short-term benefits. Students can certainly still get loans from private institutions to pay for living expenses, but the private loan market standards will ensure the students are repay the loans better than current standards set by the Federal government.
- Increase mandatory education for borrowers. Require a mandatory pre-loan education of potential students and parents on the purpose and responsibilities of student loans. This needs to be completed prior to any award of federal student loan amount. The course would explain

debt repayment, various repayment programs and repercussions of default. The course could also include general principles of debt students frequently have issues with over the course of their college career. Students would learn valuable information about how much they are going to have to pay back after graduating University. It is important that students and their parents understand the Return on Investment that certain degrees will provide, and may impact their decision of what institutions can fulfill their educational needs for the cost of tuition and loans provided.

Federal Programs

Increase the Pell Grant coverage for disadvantaged students to 79%. Education is proven to reduce poverty, decrease the need for government handouts, and increase economic growth and income. Pell Grants were established to assist economically disadvantaged students. Pell Grant recipients also had priority for work-study programs to make up the difference in the cost of their education. Today, those standards have been relaxed and more students qualify for the program with the result that the grants now only cover about 29% of the cost of college, and students are forced to utilize federal loan programs. We must make sure that the

disadvantaged students of Tennessee can again afford college as was the promise of the program.

This will require reestablishing strict standards for awarding Pell Grants. It may also mean a further commitment by the Federal Government to make sure proper funding is there for these students.

- End Death and Disability Penalties. At the present, even the death of a borrower does not discharge student debt. Cosigners and spouses can still be held to repaying debt even though the beneficiary is permanently disabled or deceased. Federal student loan repayment programs need to include disability and death insurance plans. The cost of these plans is minimal, and cosigners and spouses are not burdened with the debt.
- Release private student loan cosigners. After a student loan borrower makes 36 consecutive payments on their loans, the cosigners will be released of further responsibility. The student borrower has established their own credit worthiness and their debt responsibilities need to be placed solely on them. Parents and even grandparents are often forced to co-sign for student loan debt. When a borrower defaults, financial institutions call the notes on the Co-signers and often require much higher terms for

repayment. Parents and grandparents, now trying to prepare for retirement, are faced with using their savings to cover these bad loans.

Legislation

- Enact S. 2347 - Student Loan Repayment Acceleration Act. Senator Cory Gardner (R-CO) sponsored a well-reasoned bill that amends the Internal Revenue Code to exclude from the gross income of an employee up to \$10,000 per year in student loan payments made by an employer. The loan payments are also exempt from certain payroll taxes. The last action on this bill was in the Senate Finance committee on 7/31/2019.
- Increase Transparency in Lending. Enact H.R. 63, S.234 and S.887. H.R. 63 Student Loan Disclosure Modernization Act sponsored by Rep. Jim Banks (R-IN) is stuck in the House Education and Labor committee. If enacted this bill would require loan disclosure forms for federal student loans to be written in plain language, thus enabling borrowers to understand loan terms, total costs of loans, and estimated monthly repayments. Borrowers must acknowledge in writing that they have read the form before the loans are issued. S. 887 - Know Before you Owe Federal Student Loan Act, was sponsored by

Senator Chuck Grassley (R-IA). This bill revises counseling requirements for certain borrowers of student loans, and for other purposes. S. 234 - Transparency in Student Lending Act was sponsored by Senator Michael Enzi (R-WY) and would require an institution of higher education to disclose, prior to disbursement, the annual percentage rate applicable to a federal student loan

- Enact S. 3055 - Student Loan Repayment Freedom Act. Senator Lisa Murkowski (R-AK) sponsored this bill to amend the Higher Education Act of 1965 to permit a Federal student loan borrower to elect to terminate repayment pursuant to income-based repayment and repay such loan under any other repayment plan for which the borrower is otherwise eligible.

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10. Opioid Addiction

Opioid addiction is one of the most distressing and difficult diseases to treat in medicine. The patient has a disease not a personal failing. This is critical because the most effective means of treating opioid addiction is through the disease concept. It has been found that an opioid patient is generally very bright and this makes the treatment more difficult.

Personal judgement only makes the disease worse, as it is shame based behavior. Making the patient feel bad about a personal failure continues a cycle of (a) drug use to make feel better, (b) treatment in which patient is told how bad they are, (c) patient feels ashamed and bad, then cycles back to (a) drug use to feel better. The cycle continues to repeat over and over.

The epidemic of opioid use might start with prescription drugs or street (illegal) drugs, but no matter the starting point the disease has a natural history. It is addiction which is progressive and deadly—Unless the cycle is broken.

We know about the disease of opioid addiction and the difficulty treating it. The best treatment is prevention. That prevention must focus on educating the public, the

supply of opioids – prescription and street, and treatment of addicted individuals.

Education

How do we educate people, and show the dangers and end results of opioid use? We need more education in schools, but education begins in the home. Through programs like PROMPT TN[1] and national resources tools can be provided to schools, and parents[2] about opioids and addiction. Schools as well need to provide education to students on what is happening in their communities. This is particularly important in regard to students impacted by addicted family members. There is not a lack of motivated teachers that want to help students influenced by the opioid crisis. Many heartbreaking stories of dedicated teachers doing everything in their power to continue communicating with these students, and we need to provide them with support.[3] Some schools have gone so far as to introduce the HOPE program for grades K-12. It is a series of lessons to help kids cope with the impacts of addiction that may exist in their home life.[4]

The most dangerous of all the opioids are heroin and fentanyl. Review of literature finds a list comprehensive resource to help keep our children safe from this deadly drug combinations. Young people are especially prone

to temptation to try these drugs, usually leading to a rapid addiction. This included reference paper is “worth its weight in gold” for educating parents, children, teens, and young adults. Few individuals are exceptions to the rapid addiction and this reference proves the case.[5]

Supply

The sources of drugs which fuel the addiction problem are both illegal and legal. Illegal opioid drugs have been an issue for hundreds of years. Legal sources are a more recent issue with the wide spread use of pain medication developed for cancer patients being prescribed for non-cancer pain management.

Opium and heroin are the best known natural opioids, drugs that society has been dealing with for years. Natural opioids generally come from the poppy plant, and the drugs are made of the product of the poppy. Joining the natural opioids are synthetic opioids, namely fentanyl. There are a number of these types of drugs, but they all have similar properties and are compounded from various chemicals. Fentanyl was invented in the 1960s and was principally utilized during surgical procedures. All of these opioid derivatives are now street drugs sold illegally.

Treatment

The opioid use disorder diagnostic standards and treatment of chronic pain is difficult because most patients deny that there is a problem. The reference article gives examples of treatment options, but moreover dialog to “break them” the patients denial of any problem.[1]

Adult treatment opioid use disorder follow two basic protocols.

1. Detox and opioid withdrawal syndrome is a medically supervised withdrawal. These can be a taper controlled decrease in opioids; methadone or buprenorphine tapers are tapering of an opioid substitute.
2. Maintenance approaches with methadone or buprenorphine both work for medically controlled withdrawal and maintenance.[2]
3. The combination of medical and behavioral therapy called MAT (Medical Assisted Therapy) is a two-stage approach. The medical therapy is to help with detoxification and stabilization while behavioral therapy is used to prevent relapse into opioid use disorder.[1]

4. There are many combinations of treatment and each patient should have the combination that the treating health care provider and counseling team deems appropriate and best.

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Public Health Emergency

In March 2019, the Journal of Health Systems – Pharmacy published an article on the origins, trends, policies and rolls of pharmacists in the opioid crisis[1]. It lays out the origins of the opioid crisis and goes on to make policy recommendations related to pharmacists and their role in managing patients in order to reduce and eliminate this problem.

In October 2017, the opioid crisis in the United States was declared a national public health emergency.[2] The

U.S. Department of Health and Human Services (DHHS) announced several priorities to combat opioid misuse, including “improving access to treatment and recovery services, promoting use of overdose-reversing drugs, strengthening our understanding of the epidemic through better public health surveillance, providing support for cutting-edge research on pain and addiction, [and] advancing better practices for pain management goal of improving patient outcomes.[3]

The key points of the study were:

- In the United States, 1 in 7 individuals will develop substance addiction, and for patients prescribed opioids for chronic pain, 21% to 29% will misuse them and 8% to 12% will develop an opioid use disorder.
- Due to specialized training in medication safety, management, and monitoring, pharmacists are uniquely qualified to participate in initiatives addressing appropriate management of prescription opioids; therefore, many governmental, health-care associated, and pharmacy-associated entities require or encourage pharmacist participation in addressing the opioid crisis.
- Pharmacists can participate in preventing, managing, and treating opioid misuse through

prescription drug monitoring programs; interventions in community, outpatient, and inpatient settings; overdose prevention; and education on abuse-deterrent formulations of opioid analgesics.[4]

The origin of the opioid crisis can be found in policies developed in the mid 1980s that supported and encouraged the use of opioids for management of non-cancer pain. In the mid-1990s the American Pain Society and the American Academy of Pain Medicine endorsed the use of opioids to treat chronic non-cancer pain, and promoted the relief of pain as a vital sign of improved patient care. These policies were adopted by federal agencies like the Veterans Affairs. Since that time, the VA has withdrawn its support of these policies. [1]

Following advocacy efforts such as the “pain as the fifth vital sign” campaign and the marketing campaigns of pharmaceutical companies, state medical boards loosened restrictions on prescribing opioids for treating chronic non-cancer pain.[2] This led to a dramatic increase in the number of opioid prescriptions in the United States. Retail sales of oxycodone and hydrocodone increased skyrocketed. Oxycodone and hydrocodone prescriptions increased by 866% and 280%, respectively, from

1997 through 2007. Likewise, from 2000 through 2009, the total number of immediate-release opioids dispensed by outpatient pharmacies in the United States increased from 164.8 million to 234 million and extended-release opioids dispensed increased from 9.3 million to 22.9 million. Moreover, the United States leads the world in overall consumption of narcotics, including the global supply of hydrocodone (99%) and oxycodone (83%).[3]

This high volume of opioid prescribing contributed to the abuse and deaths caused by opioids. In 2012, at the height of this high volume of prescription writing, the rate per 100 people in the U.S reached 81.3, in 2017 that rate had fallen 58.7. About 25 percent of all persons prescribed opioids abuse them, and about 10 percent develop opioid use disorder.

Drug Abuse after Prescription Opioids

As local, state and federal authorities began cracking down on the over prescription of opioids to thousands of people, those individuals were forced to turn to other sources. Over 80 percent of persons who use heroin, first misused opioids. While death rates from misuse of prescription opioids has decreased in recent years, the death rates for use of heroin and fentanyl continue to

increase. We have merely substituted the addiction to prescription drugs to addiction to illegal drugs. Tennessee is in the heart of this addiction problem.[1]

Tennessee

Tennessee has an issue with opioid drug abuse. The help from Washington to detail and combat the prescription drug problem has had an impact. The impact however has been the shifting of addiction from prescription drugs to street drugs

Tennessee has been an outlier in the fight against opioid abuse. The CDC reports that nationwide overdoses fell more than 4% in 2018. States near Tennessee, like Ohio, Pennsylvania, West Virginia, and Kentucky, saw overdose deaths drop as well. The figures indicate while overdoses to prescription opioids are falling they are being replaced by fentanyl and heroin deaths. Dr. Howard Taylor, a lab director for the American Addiction Centers in Brentwood, says that we lack both quantity and quality of treatment centers.

Tennessee like other states has decreased the overall amount of opioid prescriptions, but that has led people who were dependent on the prescription drugs to other more dangerous avenues. Since 2012, Fentanyl deaths

have risen from 77 to nearly 600, and heroin deaths have gone from 50 to over 300.

SOLUTIONS

Solutions for opioid addiction cannot be dictated from Washington. It's the federal government's job in this case to provide guidance and funding to state and local government to deal with a community based problem.

1. Congress and the executive branch need to create a program that awards "Block Grants" to states and local governments.
2. States must establish standards for how local jurisdictions will utilize the funds.
3. For local governments to receive federal funds, they must develop comprehensive programs that are tailored to their community and are designed to reach people uniquely impacted by opioid addiction and request funding to implement their plans.

Programs developed at the local level should focus on addressing eight categories of activities to quell the spread of opioid abuse and provide affected people with solid rehabilitative programs.

The eight categories of activities a local Opioid Addiction Program must contain are:

1. Law Enforcement
2. Reducing the flow of Opioids and Alternatives
3. Providing Opioid Reversal drugs
4. Treatment Programs
5. Pain management
6. Community Partnerships
7. Peer Support
8. Overcoming Stigma

Law Enforcement and Prevention

1. Increased support for local law enforcement and coordination with state and federal authorities is critical in addressing the availability of illegal opioids for those that became addicted due to prescription drugs. The prosecution of drug dealers should be particularly harsh for those who sell heroin and fentanyl drugs. The goal is get these drugs “off the streets.”
2. Expand the medical provider registry to all states (using the Tennessee model). All providers of controlled substances are registered and work in combination with pharmacies to discover forged

prescriptions. Also, a statewide data base has been established in Tennessee for providers to check for patients “doctor shopping” for multiple drug prescriptions.

3. Place more stringent monitoring standards on “pain clinics” in place. Develop stringent “audit procedure” with reporting and state certification dependent on adhering to known criteria for opioid drug prescribing.

Reducing the flow of opioids

Preventing a new generation of individuals from being exposed to dependency on opioids is an important part of the overall solution. Lowering the prescription rate is critical for non-cancer pain management. It must be done in connection with accessible and affordable alternative treatments.

Before people become patients, who are addicted, develop a “high risk for addiction” evaluation. This will be a series of questions in the patient data form that will alert healthcare providers as to degree of patient risk for drug addiction behavior.

The questions for screening will be such that they are stealth in the intake form and will be developed with a team of addiction specialists.

Thus, the most important factor in opioid abuse can be identified. It is not the drug or prescriber. It is identifying the high-risk person and treating accordingly.

Opioid reversal drugs

Naloxone is a drug that reduces the effects of opioid overdose. It saves lives and reduce the effects of overdose when administered as soon as possible. This drug needs to be provided to police and EMTs who can when they are called upon to assist and overdosed individual, administer the drug as front line defense for the person in danger and for the benefit of the community.

Treatment programs

Provide for rural hospitals with the tools to treat immediate emergencies and be a focal point for intensive community detox programs and move people back into active and functioning lives. It is critical to provide rural areas in particular with high quality medication-assisted treatment.

Pain management programs

Training of medical providers in all areas of the community with better pain management programs. From the doctor's office to emergency rooms, a clear protocol for use of any pain medication based on the type of pain and time frame of expected use.

Peer support

Local community plans need to provide peer support programs that can provide help to struggling addicts. Peer recovery coaches are low-cost ways to provide needed open lines of communication for patients coming to hospitals and clinics for substance abuse issues. Most communities have these programs that address alcohol and narcotic abuse.

Community Partnerships

Plans need to coordinate the activities of the local community. The community providers include the health care system, mental health services, the criminal justice system and social welfare organizations. These organizations can work together to provide a holistic approach to addiction and recovery.

Overcoming Stigma

This opioid crisis carries with it the same stigma that has long been held with drug addiction. That stigma is that it is a crime, mental health or character flaw condition. Opioid use needs to be treated as chronic disease. These persons were over prescribed addictive drugs by medical personal. The community needs to come forward and provide the proper support to these persons to regain their humanity and end the substance abuse.

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11. Tax Policy

The modern tax system in the US traces its roots back to the first Civil War. It was in 1861 that President Abraham Lincoln signed the first federal income into law to raise funds for the Union war effort. The income tax back then was pegged at 3% on a minimum annual income of \$800 and above.[1]

To manage and enforce the law, Congress created what would soon become known as the Internal Revenue Service. Abraham Lincoln's wartime taxes were done away with after the war, but its source of federal dollars was on the minds of progressive reformers.

The idea of taxation in the US itself is ironic because it was the relentless taxation by the British that led to the revolution in 1775. The newly formed American government was understandably cautious of implementing taxes.

It is interesting to note that postcolonial America was always grappling with taxes in one form or another. The 'no tax' policy meant the Federal government had to rely on excise taxes and higher tariff duties. It took the Civil War to make America question its 'no-tax' policy in the Constitution. When Congress tried to impose another

income tax following the Civil war in 1894, the Supreme Court ruled it unconstitutional with a 5-4 vote. Lastly, with the Sixteenth Amendment added to the U.S Constitution in 1913, authorizing the levying of a federal income tax, Congress wasted no time in imposing one and set taxes at 7% on annual incomes at a minimum of \$500,000, which roughly equates to about \$13 million today. [2]

Pre-1962 Era

Before World War I, and full implementation of the Income tax, less than 1% of Americans paid taxes. As war broke out and new tax laws adopted, the number of people paying taxes was raised to 5%. Prior to the income tax, most federal revenue was raised by excise business and estate profits taxes. The first cuts in income tax rates during the 1920s, was part of the stimulus of U.S. and global economic expansion of the decade.

Additionally, doing away with high rates on excise business taxes and estate taxes was profitable for the government. In 1918 alone, the federal government saw new revenue grow by \$3.6 billion. Throughout the next 10 years as tax rates declined, revenue grew.

The Roosevelt era brought with it the New Deal and WWII. Both of these endeavors required large amounts of revenue, and tax rates were again raised, reaching 40 percent. As rates rose, the economy stagnated, and it was not until limited war production was begun in 1938 and combined with the 1938 Revenue Act that the U.S economy actually saw real growth and expansion[3]

World War II needed to be financed, but the influx of federal dollars for war materials meant jobs. Also in effect during the war years, was the rationing policies, which limited personal spending. The raising of individual tax rates has little impact on economic growth, as spending was curtailed to basics for the individual, and war products for the government. During the war, Americans with annual incomes of \$500 paid 23% in taxes and the government managed to tax 43 million Americans and increase its revenues from \$9 billion in 1941 to \$45 billion in 1945.

The Revenue Act of 1945

The government reduced top tax rates on corporations and individuals in the Revenue Act of 1945. Corporate rates dropped from 40 to 38 percent, and individual rates dropped to 86 percent from 94 percent. With the GIs returning from the war, relaxation of rationing, and pent up demand for automobiles, homes, appliances,

and other consumer goods, the economy flourished. Understanding that the economies of England, France, Germany, Japan and to some extent the Soviet Union were tattered and torn, the U.S became the supplier of goods to the world in the immediate post war international markets. High employment, high demand, rising wages, were forces that were not dislocated due to high taxes, and so as individual and corporate taxes rose in the 1950s again those policies had little impact on economic growth. Additionally, both corporate and individual taxes were full of exemptions. Homes, interest, local taxes, health care, the list went on and on. So, while tax rates for the highest wage earners may have been 90 percent, exemptions brought the effective rates down the about 40 percent. Born in this time, was the phrase, the "Three Martini Lunch", which you could right off your taxes.[4]

The 1962-1984 Era

The Early 1960s saw two tax bills. The Revenue Acts of 1962 and 1964. The 1962 act introduced the Investment Tax Credit, (ITC).[1] The ITC was intended to spur business investment and expansion and thus new job creation. It was a time where "war" babies were graduating high school, and seeking jobs, and the baby boomers were right behind them. The U.S. needed to create jobs, and the Democrat controlled Congress were

finding more doors to open to spur spending and investment. To further that end, in 1964, Congress dropped the individual tax rate from 91 to 70 percent, and corporate rates from 52 to 48 percent. Also, introduced in the 1960s was increasing payroll taxes. These taxes paid for Social Security and Medicare.

The 1970s saw ever increasing inflation, reaching as high as 14 percent in 1980. The major spikes of the inflation were directly linked to the drastic increase in oil in 1974 and 1979. Tax rates remained the same during this time, but Washington was loving it. Incomes were rising fast, and two earner households were becoming the norm. Tax rates designed for the upper 10 percent of wage earners were now being applied to the middle class. And that interesting concept, introduced in 1962, the ITC, became the bane of the tax code. Tax attorneys were creating paper corporations for almost any concept, and directing funds into the companies as means of lowering taxable income. Increasingly the middle class bore the burden of federal revenue.[5]

In the '80s, with Republicans having taken control of the U.S. Senate, Ronald Reagan was able to reform the tax code and overall tax policy. Gone were the ITC, wholesale deductions for every conceivable type of write-off and in came reduced individual tax rates pegging the top rate at 28 percent. Corporate taxes were

reduced from 48 to 40 percent. The changes brought about by the Economic Recovery Tax Act of 1981 and the Deficit Reduction Act of 1984, ended the “stagflation” of 1978-82, ended the 1981 recession and led to a decade long expansion of the U.S. Economy. Under these reforms, and since 1984, the top 10 percent of wage earner are responsible for a majority of federal revenue.[6]

Tax Reforms Under George W. Bush

Much of President Bush’s government was characterized by tax relief measures, often known as the “Bush Tax Cuts”. Put simply, the tax reforms made major changes to the tax code, lowering federal income tax rates, providing relief to married people, increasing the child tax credit, and lowering the tax rate on dividend income and capital gains taxes.

The Bush Tax Cuts eliminated taxes for many items, such as itemized deductions, exempted rates for higher-income individuals, and lowering the maximum estate tax.[1] President George W Bush’s main priority was to boost the economy during the recession that followed after the collapse of the dotcom bubble and 9/11. There were major repercussions for all parties involved with trillions in losses.

Tax Reforms Under Barack Obama

The Bush tax cuts proved useful and certain provisions of the cuts were slated to expire in 2008 and 2010. But the economic recession in 2008 prompted the Obama administration to extend the tax cuts well into 2012. Because the tax cuts had been in effect for so many years, people started to feel they were permanent instead of being temporary. Both politicians and taxpayers alike raised an outcry as the Bush Tax Cuts approached their date of expiration. And even though the depth of economic recession was past, many people were still reeling in from its effects. In response, Obama further cut income taxes for families by \$800 and individuals by \$400.

Tax Reforms Under Donald J. Trump

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It's Impact On The Job Market

Since the adoption of the 2017 Tax Cuts and Jobs Act, (TCJA) unemployment rates have hit historic lows. When President Trump took office the Unemployment Rate stood at 4.6 percent. Today, the overall unemployment rate stands at 3.3 percent. The rate today has not been this low since 1968, which stood at 3.5 percent.[7]

And while today, these unemployment figures are probably going to rise as a result of the Coronavirus pandemic, there is clearly a relationship between the 2017 tax cuts and the economic expansion over the past 2 years. While Trump promoted that his policies would generate Gross Domestic Product growth of 3 to 4 percent per year, the average of 2.5 percent since 2017, has been the most consistent growth in the past 20 years.

SOLUTIONS

In the two years since the Tax Cut and Jobs Act of 2017, the U.S. economy has remained strong, and producing record low unemployment rates among all groups of people in the country. This type of economic growth is what is required to keep this country strong, and future tax policy must be focused on growth. The TCJA provided corporate tax payers with permanent tax relief, but individual tax payer relief is planned to sunset after 2025. The impact is about \$1,000 in increased taxes per individual. Some will look at long term budget projections and include this revenue increase. That should not be an option. The individual tax cuts of TCJA, need to be made permanent.

Pro-Growth Tax Policy

1. Congress needs to extend the individual tax rates of the TCJA permanently beyond 2025. This permanent tax cut not only serves individuals but LLCs and S Corporations. Businesses must have a stable tax structure in order to grow the economy. Extending these tax rates are key to providing that stable environment.
2. Support the Heritage Foundation Pro-growth tax policies contained in their 2020 Blueprint for Balance.

a. Universal Savings Accounts – Similar to retirement instruments like 401ks accounts, A USA is not bound by all the requirements of what it may be used for, withdraw penalties or age restrictions for use. USAs could be used for education, retirement, housing, even medical care.

b. Reduce spending in the Tax Code – The tax code each year picks winners and losers while distorting market outcomes. Tax Credits are ways to spend through the tax code, and their impact is indistinguishable from direct spending. A tax credit is an off-budget expenditure that is not subject to review as a reliable and effective use of government spending. If congress seeks to provide subsidies to a particular program, direct refunds to purchasers make a far better means of distribution and evaluation of tax dollars.

c. Tax Credits – are poorly designed incentives, that poorly target the desired activity. Tax credits are also subject to manipulation based on political agendas and disrupt private-sector investment.

d. The Blueprint for Balance list twenty-nine separate tax credits that should be ended.

e. <https://www.heritage.org/blueprint-balance/policy-agenda/pro-growth-tax-reform>

Specific tax credits that should be repealed include, the specifics of why the following credits need to be repealed are listed in the document listed above.

i. Tax Credits for Higher Education and American Opportunity Tax Credit

ii. Research and Development Tax Credits

iii. Energy and the Environment Bio-fuel Tax Credit

**This paper was developed on 3/24/2020 and will be revised and adjusted as more relevant information is presented.*

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As a physician, businessman, and Television and Radio broadcast media communicator, Dr. George S. Flinn, Jr. has been blessed to meet and work with truly remarkable people who are dedicated to making life better for our future. If this book inspires you please join us by visiting the website at:

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