

on health coverage. So they had to find another health plan.

They researched every possible plan and could not find an affordable one to cover the whole family. In the end, it made more sense to seek insurance separately. Daren enrolled in a plan that cost \$250 a month and has a \$500 deductible. Since Daren is a diabetic and spends \$150 per month on medication, his coverage was the most important. The rest of the family—Paula and the three boys—enrolled in a plan with a \$3,000 annual premium and a \$1,000 deductible.

After a year, the premiums went up to almost \$5,000. They could no longer afford coverage so Paula dropped hers, and her children have found coverage through South Dakota's Children's Health Insurance Program, CHIP.

Too many small business owners face exactly that challenge, but we can do something to help them and support the efforts of entrepreneurs who drive our economy. A recent study shows that nearly 9 out of 10 small businesses favor a tax credit that would help employers buy health insurance for their employees.

In January, a number of us introduced a small business tax credit provision in S. 10, the Health Care Coverage Expansion and Quality Improvement Act of 2003. This 50-percent tax credit will help small businesses with less than 50 employees obtain affordable health coverage.

The small business tax credit will help small business owners, such as the Jensens, spark more investment and growth by small business and move us closer to health care for every American.

This problem will not solve itself. Unless we act, health care premiums will continue to rise, driving more people on to the rolls of the uninsured and keeping more businesses from growing and creating jobs.

We can do better. It is a national problem, and it demands national leadership to fix it. Small businesses can, once again, be the engine for growth in our economy, but we need to provide them with the opportunities to remove the obstacles to that growth.

This is a critical moment in our Nation's history. We have an obligation to focus on the troubles of our economy and the Americans who are struggling to work and raise families.

We intend to do all we can to keep the Senate's attention focused on the crisis in health care. Our citizens are asking for this kind of leadership, and we have an obligation to answer their call.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004—Continued

AMENDMENT NO. 696, AS MODIFIED

Mr. WARNER. Mr. President, I ask unanimous consent that the Graham amendment No. 696 be modified with the changes that are at the desk.

Mr. REID. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

(Purpose: To ensure that members of the Ready Reserve of the Armed Forces are treated equitably in the provision of health care benefits under TRICARE and otherwise under the Defense Health Program)

In lieu of the matter proposed to be inserted, insert the following:

“(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty.”

In lieu of the matter proposed to be inserted, insert the following:

“(2) The screening and care authorized under paragraph (1) shall include screening and care under TRICARE, pursuant to eligibility under paragraph (3), and continuation of care benefits under paragraph (4).

“(3)(A) Members of the Selected Reserve of the Ready Reserve and members of the Individual Ready Reserve described in section 10144(b) of this title are eligible, subject to subparagraph (I), to enroll in TRICARE.

“(B) A member eligible under subparagraph (A) may enroll for either of the following types of coverage:

“(i) Self alone coverage.

“(ii) Self and family coverage.

“(C) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(D) The Secretary of Defense shall provide for at least one open enrollment period each year. During an open enrollment period, a member eligible under subparagraph (A) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

“(E) A member and the dependents of a member enrolled in the TRICARE program under this paragraph shall be entitled to the same benefits under this chapter as a member of the uniformed services on active duty or a dependent of such a member, respectively. Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

“(F)(i) An enlisted member of the armed forces enrolled in the TRICARE program under this section shall pay an annual premium of \$330 for self-only coverage and \$560 for self and family coverage for which enrolled under this section.

“(ii) An officer of the armed forces enrolled in the TRICARE program under this section shall pay an annual premium of \$380 for self-only coverage and \$610 for self and family coverage for which enrolled under this section.

“(iii) The premiums payable by a member under this subparagraph may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

“(iv) Amounts collected as premiums under this subparagraph shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

“(G) A person who receives health care pursuant to an enrollment in a TRICARE program option under this paragraph, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

“(H) A member enrolled in the TRICARE program under this paragraph may terminate the enrollment only during an open enrollment period provided under subparagraph (D), except as provided in subparagraph (I). An enrollment of a member for self alone or for self and family under this paragraph shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subparagraph (A). The enrollment of a member under this paragraph may be terminated on the basis of failure to pay the premium charged the member under this paragraph.

“(I) A member may not enroll in the TRICARE program under this paragraph while entitled to transitional health care under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section. A member who enrolls in the TRICARE program under this paragraph within 90 days after the date of the termination of the member's entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate the enrollment at any time within one year after the date of the enrollment.

“(J) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this paragraph.

“(4)(A) The Secretary concerned shall pay the applicable premium to continue in force any qualified health benefits plan coverage for an eligible reserve component member for the benefits coverage continuation period if timely elected by the member in accordance with regulations prescribed under subparagraph (J).

“(B) A member of a reserve component is eligible for payment of the applicable premium for continuation of qualified health benefits plan coverage under subparagraph (A) while serving on active duty pursuant to a call or order issued under a provision of law referred to in section 101(a)(13)(B) of this title during a war or national emergency declared by the President or Congress.

“(C) For the purposes of this paragraph, health benefits plan coverage for a member called or ordered to active duty is qualified health benefits plan coverage if—

“(i) the coverage was in force on the date on which the Secretary notified the member that issuance of the call or order was pending or, if no such notification was provided, the date of the call or order;

“(ii) on such date, the coverage applied to the member and dependents of the member described in subparagraph (A), (D), or (I) of section 1072(2) of this title; and

“(iii) the coverage has not lapsed.

“(D) The applicable premium payable under this paragraph for continuation of health benefits plan coverage in the case of a member is the amount of the premium payable by the member for the coverage of the member and dependents.

“(E) The total amount that DOD may pay for the applicable premium of a health benefits plan for a member under this paragraph in a fiscal year may not exceed the amount determined by multiplying—

“(i) the sum of one plus the number of the member's dependents covered by the health benefits plan, by

“(ii) the per capita cost of providing TRICARE coverage and benefits for dependents under this chapter for such fiscal year, as determined by the Secretary of Defense.

“(F) The benefits coverage continuation period under this paragraph for qualified health benefits plan coverage in the case of a member called or ordered to active duty is the period that—

“(i) begins on the date of the call or order; and

“(ii) ends on the earlier of the date on which the member's eligibility for transitional health care under section 1145(a) of this title terminates under paragraph (3) of such section, or the date on which the member elects to terminate the continued qualified health benefits plan coverage of the dependents of the member.

“(G) Notwithstanding any other provision of law—

“(i) any period of coverage under a COBRA continuation provision (as defined in section 9832(d)(1) of the Internal Revenue Code of 1986) for a member under this paragraph shall be deemed to be equal to the benefits coverage continuation period for such member under this paragraph; and

“(ii) with respect to the election of any period of coverage under a COBRA continuation provision (as so defined), rules similar to the rules under section 4980B(f)(5)(C) of such Code shall apply.

“(H) A dependent of a member who is eligible for benefits under qualified health benefits plan coverage paid on behalf of a member by the Secretary concerned under this paragraph is not eligible for benefits under the TRICARE program during a period of the coverage for which so paid.

“(I) A member who makes an election under subparagraph (A) may revoke the election. Upon such a revocation, the member's dependents shall become eligible for benefits under the TRICARE program as provided for under this chapter.

“(J) The Secretary of Defense shall prescribe regulations for carrying out this paragraph. The regulations shall include such requirements for making an election of payment of applicable premiums as the Secretary considers appropriate.

“(5) For the purposes of this section, all members of the Ready Reserve who are to be called or ordered to active duty include all members of the Ready Reserve.

“(6) The Secretary concerned shall promptly notify all members of the Ready Reserve that they are eligible for screening and care under this section.

Mr. WARNER. Mr. President, I ask unanimous consent that at 2:15 p.m. today, there be a period of 5 minutes prior to a vote in relation to the modified Graham amendment No. 696; provided further, that if the amendment is agreed to, the underlying amendment No. 689 then be agreed to, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, for clarification, the 5 minutes will be equally divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Also, Mr. President, there are some arrangements being made to

have some disposition of the Reed of Rhode Island amendment sometime this afternoon.

Mr. WARNER. Mr. President, the distinguished leader is correct. Efforts are being made to see if that can be worked out. If those good-faith efforts do not materialize, then, of course, the Senator is entitled to a recorded vote or a voice vote, whatever is his preference.

Mr. REID. It is my understanding Senator KENNEDY will be here early this afternoon to offer his amendment or amendments.

Mr. WARNER. The Senator is correct. The Senator from Michigan spoke to me before he departed the floor saying that was his desire and he will be speaking.

We can now stand in recess until the hour of 2:15 p.m.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:49 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BENNETT).

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004—CONTINUED

##### AMENDMENT NO. 696

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes equally divided prior to a vote with respect to the Graham of South Carolina amendment.

Who yields time?

The Senator from South Carolina.

Mr. GRAHAM of South Carolina. If it is appropriate with Senator SESSIONS, I will proceed.

Mr. SESSIONS. Mr. President, I understand we are in 5 minutes debate on each side and then there will be a vote on this amendment.

The PRESIDING OFFICER (Mr. CHAMBLISS). It is 5 minutes evenly divided.

Mr. SESSIONS. I am pleased to yield to the Senator from South Carolina on his time.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. GRAHAM of South Carolina. Mr. President, I thank the Senator for yielding. I have been working with Senators on both sides of the aisle to approve a compensation package for guardsmen and reservists. We have a modification to Senator DASCHLE's amendment. I second-degreed his amendment last night. We have reached a compromise where we merged the best of the two packages. Basically, what we are trying to do is make sure that Guard and Reserve members, if they choose to, can become members of TRICARE, the military health care network for military members and their families, by paying a premium. It would be what a retiree

pays plus \$100 for an enlisted Guard or Reserve member, \$150 for an officer. So it is a very good deal for the Reserve and Guard families. They pay into the system if they choose to be a member of TRICARE. That way when they are called to active duty they do not leave one health care plan for another. They will have continuity of health care. They do not get bounced around between systems. It would really help with recruitment and retention. It has been a bipartisan effort like none I have ever experienced.

I want to add cosponsors, and then I will yield for Senator DEWINE, who has been a tremendous leader on this issue. I ask unanimous consent that the following Senators be added as cosponsors to this compromise product: Senators CLINTON, DEWINE, KENNEDY, MILLER, ALLEN, LEAHY, STABENOW, MIKULSKI, LANDRIEU, CHAMBLISS, CAMPBELL, COLLINS, and DORGAN.

I compliment Senator DASCHLE for his fine efforts in making this possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Ohio.

Mr. DEWINE. I thank the entire military coalition for all their hard work and support for this effort. I thank all of my colleagues. I also thank General Smith of the Ohio National Guard for all they have done to keep this initiative moving forward.

As my colleagues are well aware, our amendment would offer a comprehensive approach to health coverage for members of our military reserve component. Put simply, it would provide a critical health care safety net for service members and their families by offering uninterrupted, affordable health insurance.

I can't emphasize enough how important this is both as a readiness and as a retention issue.

We know how important it is that we fund our military hardware and base installations. But, at the same time, we can't ignore our military personnel. We can't ignore the very men and women who voluntarily lay their lives on the line to protect our national security. It's the very least we can do, particularly as we continue to rely more and more on our Reserve and National Guard.

Our amendment is an important sign of support for those called to serve, as well as their families. I urge my colleagues to support it.

I yield the floor.

Mr. KENNEDY. Mr. President, this amendment is intended to close an unfortunate and unacceptable gap in health insurance coverage for families of Reserve and Guard members who are called up for active duty in the Armed Forces. The amendment is a needed step forward in taking care of our troops and their families, and it includes most of the provisions of S. 647 that I introduced earlier this year to close the gap.

Today's military relies more heavily than ever on the Reserve and Guard.