

president of the association. "There isn't a precise figure. We don't know the amount."

In any event, he said, the money is less important than the overall policy embodied in the Republican bill, which would slow the growth of Medicare and open the program to all sorts of private health plans, including those organized by doctors. The House Ways and Means Committee approved the bill today by a party-line vote of 22 to 14. [Page A20.]

Representative Bill Thomas, a California Republican who is chairman of the Ways and Means Subcommittee on Health, said the concession to doctors would cost no more than \$400 million over seven years.

An aide to Speaker Newt Gingrich said, "If the doctors are for sale, they come real cheap."

Lawmakers and lobbyists scrambled today to explain events leading to the association's endorsement of the Republican plan, which is fiercely opposed by Democrats and some consumer groups. Their accounts, though incomplete, opened a revealing window on the normally secret negotiations between Congressional leaders and a high-powered lobby.

Mr. Gingrich met A.M.A. leaders on Tuesday and beamed as they announced their support for his handiwork.

Mr. Thomas, who attended the meeting, confirmed that the doctors would be protected against any reduction in Medicare fees in the next seven years. Under current law, and under the House Republicans' original proposals, fees for many doctors would have declined.

The association denied that it had sold its endorsement for monetary gain. In a telephone interview from his office in Chicago, Mr. Johnson said, "We got assurances that there would not be absolute rollbacks or reductions physician fees." But he said the endorsement was not predicated on those assurances.

The cost of the concessions was a subject of dispute. Mr. Thomas said: "How much is it going to cost us to make the adjustment? Two or three hundred million dollars. I don't know the exact amount."

But independent health policy experts and budget analysts said that the Republicans' assurance to the doctors, if taken literally, could increase Medicare spending by a few billion dollars, beyond the amounts that would be spent under current law in the next seven years. The experts said they could not easily reconcile the Republicans' promise to the doctors with the large savings the House Republicans still expect to achieve.

The Republicans plan to cut projected spending on Medicare by \$270 billion, or 14 percent, over the next seven years, and they still intend to get \$26 billion of that amount by limiting payments to doctors. The Senate version of the legislation would cut only \$22.6 billion from projected spending on doctors' services, and leaders of the A.M.A. said they thought they had received a commitment from some House Republicans to move toward the Senate position on this issue.

The A.M.A. apparently assumes that doctors will control the growth of physician services much better than the Congressional Budget Office expects. The budget office assumes that the volume of such services under Medicare will increase by an average of almost 10 percent a year through 2002.

Mr. Gingrich has been wooing other groups, like the American Hospital Association and the American Association of Retired Persons, in hope of winning their support for the Republican Medicare plan. But they are demanding more than the Republicans can afford to provide. Hospitals are hit much harder than the doctors and are responsible for more of the savings.

Democrats had a field day criticizing the agreement between Mr. Gingrich and the A.M.A.

President Clinton's press secretary, Michael D. McCurry, said, "It appears that the doctors have won at the expense of elderly patients." Representative Henry A. Waxman, Democrat of California, said, "The A.M.A. has taken an extremely narrow view of the interests of doctors."

But Mr. Gingrich dismissed the criticism as "tawdry nonsense" and called the Democrats hypocritical. "When the Democrats offer to spend more money on something, which by the way will go to doctors and hospitals, that's good" in their eyes, he said. "But if it's a Republican idea to send money to doctors and hospitals, then that's a bad idea."

On Medicare, Mr. Gingrich said, the Democrats "don't have a plan, they have no solution, they have no ideas, and all they do is complain."

Cathy Hurwit, legislative director of Citizen Action, a consumer group, said the Republicans "have sought to buy off special interests like the A.M.A. by including provisions that put the financial interests of doctors ahead of the medical needs of their patients."

Mr. Thomas vehemently denied that Republicans had bought the doctors' endorsement. He said leaders of the association were already in "philosophical agreement" with much of the bill, including new limits on medical malpractice lawsuits and changes in the law regarding fraud and abuse in the Medicare program. In addition, he said, doctors like the bill because it would allow them to "control their destiny" by forming their own health plans to serve Medicare patients.

But just last week the association expressed concern about the bill's stringent limits on Medicare payments to doctors. On Oct. 3, James H. Stacey, a spokesman for the association, said the House bill would reduce Medicare fees for some doctors, and as a result, he said, they might be less willing to participate in the program, which serves 37 million people.

The doctors' arithmetic was correct, but they violated a cardinal rule of political etiquette by going public with their concerns while House Republicans were trying to negotiate with them behind the scenes. Republican leaders chided them, but their faux pas might have paid off.

Medicare uses a fee schedule to pay doctors, and the fees are updated each year to reflect increased costs and other factors.

Mr. Thomas said: "The doctors came to us and demonstrated that within the medical profession and between specialties, there were certain instances of an actual negative factor between years, rather than just a slowing of the growth. We examined their materials and came to the conclusion that they were right."

Mr. Thomas described the latest changes as "a fine-tuning, a rather minor adjustment." As a result, he said, "there will be no year in which a medical specialty gets less money than the year before."

Under the Medicare fee schedule, every physician service, from a routine office visit to a coronary bypass operation, is assigned a numerical value, and this number is multiplied by a fixed amount of money, called a dollar conversion factor, to determine how much the doctor is paid for the service. Under current law and under the original House Republican bill, the conversion factor would have declined in the next seven years.

Mr. Johnson of the A.M.A. said today that House Republican leaders had promised to "work with us to prevent the conversion factor from declining." An increase in the con-

version factor increases total Medicare costs, and a reduction lowers the cost, assuming no change in the volume of doctors' services.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. DASCHLE. Mr. President, in a couple of hours, we will be called upon to vote on cloture on the pending measure. Let me say that I know colleagues on this side of the aisle have different views about the substance of the legislation, but I hope that our colleagues could be concerned about process as well as substance in this case. When legislation comes before this body, we usually have ample time to deliberate, ample time to offer amendments, ample time to consider all of the ramifications of the pending legislation.

That is certainly not the case here. I suppose if we had a significant list of legislative items to be considered—a backed up legislative schedule—and we needed to get on with a number of bills before the end of the week or the end of next week, I could understand perhaps expediting consideration of this particular bill in an effort to accommodate that agenda. But that is not the case either. So regardless of how one may feel about the importance of this issue, about the substantive provisions incorporated in the bill, I would urge my colleagues to think carefully about whether or not this is the procedure to which we should subscribe.

Frankly, I do not think it is. I do not think we ought to be rushed into passing this bill. I do not think we ought to be forced to come to closure on this legislation prior to the time we have had ample opportunity to consider some of the complicated issues involved. I personally think there is a lot of merit to some aspects of what the sponsors of the bill are attempting to do. Still, I have some very grave concerns about some of the provisions, especially title 3 as it is written. Of course, addressing such concerns is the whole purpose behind good debate and the opportunity Senators should have to offer amendments.

So I urge my colleagues to vote against cloture at this early stage in the deliberative process. It is important that we be given the opportunity to deliberate in a fair and open way to accommodate the rights of every Senator, whether he or she be Democrat or

Republican, so I urge my colleagues to vote no on tonight's cloture motion.

OFFSETTING TAX CUTS

Mr. DASCHLE. Mr. President, I wish to call attention, as other colleagues have done today, to the work just accomplished by the Ways and Means and Energy and Commerce Committees in the House of Representatives. Unfortunately, the legislation these committees produced is every bit as disastrous as we anticipated it would be, and I am concerned not only about the quality of the bill they passed but the process they used to consider this legislation.

The plan they passed heaps tremendous additional costs on seniors across this country. And, in particular, it squeezes dry rural America. I have no doubt whatsoever that it will close hospitals and clinics in many parts of this country including South Dakota, and I believe that it decimates medical research and innovation, all in the name of saving the trust fund.

Yet, as we have attempted to explain over the course of this debate, what was done in the Ways and Means and Commerce Committees over the last several days has nothing to do with saving the trust fund. The actuaries in Health and Human Services have reconfirmed just as late as last week that we only need \$89 billion to save the trust fund. Yet, over half of the savings in the Republican plan comes from part B of the Medicare program, which has nothing to do with the trust fund. Of the \$270 billion reduction in Medicare spending, over half of the savings comes from part B.

The new costs that are going to be imposed on seniors, cuts in benefits, increases in premiums, increases in deductibles, have absolutely nothing to do with the trust fund. The Republicans decided to cut \$270 billion from Medicare before they even saw the trustees' report. In fact, Republicans actually repealed the law, passed in 1993, that dedicated new revenue to help shore up the trust fund.

That is why actuaries in the Health Care Financing Administration say that even with \$270 billion in cuts that the Republicans call for, the trust fund is solvent only to the year 2006, the same solvency date as one gets from cutting \$89 billion from Medicare. That is amazing to me. Despite the fact that the HCFA actuaries confirm that the \$89 billion in Medicare cuts that Democrats have advocated in our Medicare alternative accomplishes exactly the same thing in terms of trust fund solvency as the \$270 billion, Republicans are still determined to cut huge amounts from Medicare.

And so, Mr. President, we have a very clear choice—\$89 billion in Medicare cuts, presented by the Democrats as a way to address Medicare solvency with real long-term improvements in the infrastructure of the program, following the recommendations of the Health and Human Services actuaries, versus \$270

billion in cuts, which achieves exactly the same level of solvency. This choice certainly raises a question about what the additional \$181 billion in Medicare cuts contained in the Republican plan will truly be used for.

I think it is as clear as the charts that have been shown on the floor this afternoon. We know what the additional \$181 billion is going to be used for. We know that we have to come up with \$245 billion in offsets for the Republican tax cut. That is really at the heart of this whole debate.

Republicans are meeting this afternoon here in the Senate to come up with a package of tax cuts, largely dedicated to those who do not need tax relief, in an effort to complete this reconciliation package.

We know they need \$245 billion to offset this tax cut, and there is no secret as to where that money is going to come from. It will come from Medicare. It will come from Medicaid. It will come from increases in the cost to working families who will lose benefits from the cut in the earned-income tax credit. It will come from the education budget, and it will come from agriculture. The American people need to understand where the money for the Republican tax cut is coming from.

What is so tragic is that money for the tax cut is coming from people who cannot afford to give it in the first place—impoverished families who have a spouse in a nursing home who will have to sell their farms, sell their homes, sell their businesses in order to ensure that that family member can stay in the nursing home where he or she has been residing. That is just plain wrong. That kind of transfer is not in our best interest and we have got to defeat it when we have the opportunity to do so in the weeks ahead.

The process by which Republicans are trying to pass this bill is as problematic as the substance of the legislation. I want to address that issue for just a moment. As we have made clear over the last several weeks, there have been no hearings, there has been no consultation or real effort to reach out to Democrats to try to accommodate our concerns, no analysis provided, no explanation of how seniors, hospitals, or families are affected, and no legislative language until after the committee vote was taken.

That fact has not been widely reported. There have been votes taken in committee, but no legislative language. Generally when we go through a markup, we take the bills page by page and attempt, as best we can, to modify the legislation through the amendment process in order to accommodate the concerns raised by Senators. None of that happened because nobody had legislative language or sufficient detail to be able to determine how best to amend the bill. In other words, we have had no hearings, no analysis, no explanation, and no legislative language before a vote was taken on major legislation to radically alter important pro-

grams upon which seniors and families depend.

But we do know how some of the decisions about this legislation were made. It has been widely reported that the AMA lined up outside the Speaker's office just yesterday and made a decision to cut a deal with the Speaker, and as a result they walked away with the assurance that they would not have to contribute to the Medicare reductions to the extent seniors and other providers would have to.

In other words, doctors now, because they were able to cut their own deal with the Speaker, are not going to be required to contribute to this process to the degree that it was originally proposed. Yet, we also know that the Republicans are holding fast to their determination to cut Medicare by \$270 billion. So someone else, seniors or other providers, will have to be hit even harder to make up the additional revenue.

I thought it was all the more revealing when the board chair of the AMA on the 27th of September made reference to these deals and indicated—and I quote—"The bright lights of public scrutiny can only hurt, not help, delicate discussions." The translation is, "Bright lights and public scrutiny are counterproductive to good deals." We are not going to cut a deal if there is public scrutiny and bright lights.

That is not the way this democracy should work. Backroom deals may help doctors, backroom deals may spare them sacrifice; but backroom deals away from the light of day can only hurt seniors and cannot do anything to give us the opportunity that we should have had in the first place through hearings, through a legislative process, through a markup with legislative language, to carefully consider important legislation.

Seniors and their families were not invited into the Speaker's backroom. Rural hospitals were not invited into the Speaker's backroom. We really still do not know what kind of a deal was cut. That is all the more reason many of us are very concerned about backroom deals. We still, a couple days after the fact, do not know exactly what kind of a deal was cut with the physicians.

We are also very concerned about budget gimmicks like lockboxes that supposedly lock in savings from a certain program so they are dedicated only for certain purposes. This is a budget gimmick. We all know all program cuts and all tax decreases come from the same budget. We know in the end they will be able to transfer cuts in benefits to cuts in taxes. Medicare savings will still go to tax breaks for those who do not need it.

We also know that the Republican budget expenditure limit target is a gimmick that will cut more and more in subsequent years from Medicare, and take more and more out of the pockets of seniors.

Seniors know that this legislation means double deductibles, increases in