

elsewhere can continue to depend on the program.

In addition to putting the program in good shape financially so that it lasts into the future, for the baby boomers particularly, we also create a new reformed Medicare alongside this traditional Medicare Program that we have known for the last 30 years.

The Medicare reforms in the Senate bill will increase substantially the per capita payments that Medicare programs make to low-reimbursement States like my State of Iowa, and other rural States of our Nation.

This is a very important component of this Medicare reform. If we are able to retain this reform by getting it through the Senate, by getting it through conference with the House, it would be a great benefit to rural communities of my State and of the United States—all of them. The critically important issue is whether Medicare's per capita payment will be reformed. I have to emphasize that. Reform of Medicare's per capita payment is the essential element of bringing fairness and soundness to the system. The payment Medicare makes to health plans for those who enroll is the core element in the new reform program.

Currently, those per capita payments vary greatly from one part of the country to another. The per capita payments in the highest reimbursement areas are as much as 300 percent greater than the per capita payments in the low-reimbursement areas.

I would now refer my colleagues to this map. Many of the counties on this map are in darker colors. All of those with darker colors are way below the national average in per capita reimbursement for Medicare.

The red areas make up only 10 percent of the counties. Dade County, FL, counties in California, counties in the metropolitan area of the East, and metropolitan counties of the South, particularly Texas and Louisiana. Those counties in red are the highest per capita reimbursement counties in the United States. The variation from the dark, low-reimbursement counties to the high-reimbursement counties, can be as much as 300 percent from the county with the highest per capita payment to the county with the lowest.

Now, remember that this map shows per capita reimbursement. So the rating of our counties from low-reimbursement to high-reimbursement does not depend in any way upon the numbers of Medicare beneficiaries in the area. There are differences in input prices around the country, of course. But those differences cannot account for the very substantial reimbursement differences between the low-cost areas, the dark areas, versus the red areas, the very high-cost reimbursement areas.

The differences then reflect the fact that providers in those high-cost counties, high-reimbursement counties, are getting more money for each beneficiary that passes through the system. The more you go through the system,

the more services allowed, the more times you see the doctor, the more times you go to the hospital, the more payment you get.

There is no rational justification for such gross payment disparities from one region to another under the present Medicare system. This bill reforms that. Furthermore, I might say, the citizens in the low-reimbursement areas pay the same payroll taxes and the same Medicare premiums and the same deductibles as their cocitizens in the higher reimbursement areas. This is a problem that we should fix and fix soon. We have gone a long way toward fixing it in this bill. And if we can retain that through the House-Senate conference, we will have very good provisions for most of the United States because most of the United States is rural.

On the traditional Medicare side, the bill does call for a spending slowdown, but it contains several provisions which I helped get in this bill which will help sustain health care services in rural America. We reinstituted the Medicare-dependent hospital program, which will provide additional reimbursement for Iowa's 30 small rural counties that are very dependent on Medicare programs and in a lot of other States as well.

We establish a critical access hospital program which will help the very smallest hospitals in rural America, including Iowa, redefine their mission, receive better reimbursement and thereby continue to provide services in their communities.

We increase next the bonus payment for physicians who work in communities where there is a physician shortage. We do that from a 10 percent to a 20 percent bonus.

Next, we included for the third time in legislation sent from the Senate to the House my legislation which would reimburse physicians' assistants and nurse practitioners at 85 percent of the physician's rate when they provide the same services. I hope and believe that the bonus payment and the physician's assistance, nurse practitioner legislation will increase the availability of primary health care services in rural America, including my State of Iowa.

Finally, we authorize a program of telemedicine grants which could be very helpful in Iowa with our developing telemedicine services. And, of course, Medicare beneficiaries may continue to participate in the traditional Medicare Program and continue to choose their own doctors if that is what they want to do. They are going to have a choice for the first time, a choice of keeping exactly what the Government has offered for 30 years or a choice of choosing an HMO, a medical savings account, or their traditional association or union plan that they had where they last worked when they retired.

So, Mr. President, if we can hold the line in discussions with the House on these provisions, this Medicare reform could be good for the United States but

also very good for our low-reimbursement rural counties.

Mr. President, how much time do I have left of the 10 minutes that I allotted myself?

The PRESIDING OFFICER. One minute fifteen seconds.

Mr. GRASSLEY. Mr. President, I want to respond to a point made by the distinguished Senator from New York earlier, Senator MOYNIHAN, when he said you cannot balance the budget by cutting taxes. I do not respond just to what Senator MOYNIHAN said; I respond to this point because it is made continually by people on the other side of the aisle.

First of all, it certainly is ironic to be getting lectures from the other side about how to balance the budget. The only alternative on their side was voted down yesterday 96 to 0. That was the President's budget. And it would never balance. A chimpanzee with a typewriter will bang out by accident the entire Encyclopedia Britannica before the President's budget would be balanced.

The question is whether or not Republicans then can walk and chew gum at the same time. And, of course, we can. We can balance the budget and then cut taxes at the same time. We must do this. We can do this with minimal risk because we use very conservative and very credible CBO estimates, unlike the President who has been afflicted, like some of his predecessors, with the narcotic of optimism.

I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes.

SAVING MEDICARE

Ms. MIKULSKI. Mr. President, I rise in strong support of a Democratic leadership amendment that will be offered to save Medicare. I support it because it will save lives and save American seniors from bankruptcy.

The Republican budget reconciliation before us would cut Medicare by \$270 billion. And it does so for one reason: to pay for tax breaks for the wealthy.

In contrast, the Democratic amendment would eliminate all but \$89 billion of this Medicare cut. This would guarantee enough savings to keep Medicare solvent, but we would eliminate the provisions which the Republicans have proposed as a new tax cut on senior citizens.

We want to eliminate the Republican plan to double Medicare premiums. We want to eliminate the Republican plan to double the out-of-pocket deductibles for seniors. We want to eliminate the Republican plan to force seniors who want to keep their own doctor to pay for higher charges for Medicare care. We believe that the American senior citizens should get to pick their own

doctor and be able to have health care that they can afford and not have these increased premiums and deductibles. And we can do it by focusing on solvency and efficiency.

Mr. President, this amendment is not about partisan politics; it is about the men and women that I call the GI Joe generation. These are the men and women like my uncles and my father, ordinary men, who during World War II were called to do extraordinary things. They fought over there so we could be free here.

Those are the women in my community we call affectionately Rosie the Riveter, women who worked at Martin Marietta, in shipyards helping to keep the homefront going while our men were overseas.

Those are our senior citizens of today, the men and women of the World War II generation. They helped save Western civilization. So now it is up to us to save their Medicare. It is the very least we can do, that on the brink of a new century we give our honor and our respect to those who saved us during this last century.

Mr. President, in 1965, a great Democratic President knew that one illness could devastate a family, and they organized to be able to pass Medicare. That stands today. We have to keep the "care" in Medicare.

The Republican plan will mean less access to health care, fewer doctor visits, less necessary tests and less of a focus on prevention. This is not what we should be doing. Yes, we all want to balance the budget, but I believe we can save Medicare and focus on solvency.

Let us go after that waste, let us go after that fraud, let us be more efficient, but let us also remember the GI generation. They fought to save us, and the very least we can do now is to fight to save their health care.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair has been instructed to alternate between sides. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield the remainder of time on this side of the aisle in morning business to Senator COATS.

The PRESIDING OFFICER. The Senator from Indiana.

ONE FINAL ACT OF COURAGE AND VISION

Mr. COATS. Mr. President, just 8 short months ago, when Democrats defeated the balanced budget amendment, the minority leader challenged us by saying: "The budget is not going to be balanced in 2002 unless the responsible people in 1995 start to focus on their share of the work."

Well, Mr. President, I submit that responsible people in Congress have focused on their work, and now it is up to the minority to show whether their statements supporting a balanced budget were a conviction or an alibi.

The reconciliation bill we are debating not only makes sense, it makes his-

tory. For most of us, a balanced Federal budget is a distant memory. For decades, it has been an empty political promise, but now it is just one final vote away. All that remains is one final act of courage and vision.

That courage will be tested in the Congress by some difficult choices that we will have to make here in the next 3 days. That vision will be measured in the President, as he becomes either a partner in the process or a partisan opponent. If either he or we are unequal to this task, the patience of the public will be exhausted. We will have squandered a unique opportunity, and we will feed a dangerous disillusionment with American politics.

I am confident that this chance will not be missed; that this new Congress will show a new determination. But this bill involves more than fiscal restraint. It represents a radical shift of resources away from Government, directly to families. It contains the single-most practical, compassionate way to provide immediate help and support to children. That is a fact that Americans must understand and that opponents cannot be allowed to ignore, because this budget matches its commitment to cuts with commitments to families. It reduces both the reach of Government and the level of taxes, and it embodies important values that cannot be represented in a balance sheet.

Let me take three provisions of this budget as examples—priorities that I have championed for years. These are measures that would directly improve the lives of families and children in my State and people around the country. We have proposed them again and again, only to see them ignored or defeated. Now they are one step short from reality.

First, this budget includes a \$500 child tax credit. This sounds somewhat abstract, so let me be specific. The reconciliation package would provide nearly \$600 million of tax relief to Indiana families. Over 1 million Indiana children would be eligible for the credit, and nearly 100,000 Hoosier taxpayers would have their entire tax liability eliminated by this single measure alone.

Democrats in this debate have tried to draw attention to children, and that is precisely where our attention should be. But children are not raised by bureaucrats, they are raised by parents. If the choice is between \$600 million spent by Government in Indiana and \$600 million spent by parents, there is no choice. Parents are more compassionate and more capable than any Government program can ever be.

In reality, nearly 90 percent of the child tax credit will go to families making less than \$75,000 a year. Over 50 million American children will be eligible. Cutting Government and cutting taxes are part of the same movement in America, the movement to limit our Government and empower our people. One idea implies and requires the other. When we reduce public spending, we should increase the resources to

families to meet their own needs. The theory is simple: A dollar spent by families is more useful than a dollar spent by Government.

Second, this package also includes an adoption credit of \$5,000. Along with the child tax credit, these two provisions represent about 60 percent of the entire tax package. There is no more compassionate act than to provide an abandoned or abused child with a loving family, and the number of children who need those families is rising sharply. Yet, at the same time, the number of adoptions has dropped by nearly 50 percent over the last 25 years and, on any given day, 37,000 children are waiting to be adopted.

Thousands of families would be eager to adopt if it were not for the prohibitive cost, now about \$14,000 on average. A \$5,000 credit would make this a reasonable option for more parents.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. WELLSTONE addressed the Chair.

Mr. COATS. Mr. President, I ask unanimous consent for 2 additional minutes. Is that permitted?

Mr. WELLSTONE. Reserving the right to object, I wonder whether morning business can be extended, in which case it will not be a problem. If we extend 2 minutes on both sides, that will be fine.

The PRESIDING OFFICER. With unanimous consent, morning business would be extended.

Mr. GRASSLEY. Reserving the right to object, I think probably we ought to give 2 minutes here and 2 minutes over there to be fair, which is the way we have done it in the past. In addition, I want to be careful we do not extend the time because we have been clearing that with the managers of the bill. I do not think I can just willy-nilly allow the expansion of time. I think 2 minutes is appropriate.

Mr. WELLSTONE. My understanding is 2 minutes will be extended to the Senator from Indiana and I will have 2 minutes on top of what I already have.

The PRESIDING OFFICER. The time on the minority side is 4 minutes and 6 seconds. That would extend the time to 6 minutes and 6 seconds. The majority side would have 2 minutes.

Is there objection? Without objection, it is so ordered.

Mr. COATS. Mr. President, thousands of families would be eager to adopt were it not for the prohibitive cost, now about \$14,000 on average. A \$5,000 credit would make this a reasonable option for more parents.

Encouraging adoption is one of the most effective ways to care for children in need and at risk. Abused and abandoned children require loving homes more than they require any amount of bureaucratic spending in the status quo bill presented by the Democrats.