

the States, are reserved to the States respectively, or to the people." I would posit, Mr. President, that this fundamental idea should animate all that we do here in the coming weeks.

The task of defining the constitutional line between Federal and State power has given rise to many of the Court's most challenging and celebrated cases. In *United States versus Lopez*, the Court reaffirmed the belief that the powers of the Federal Government have proscribed limits. Now, it is the opportunity of this Congress to recreate the dual sovereignty that the Framers envisioned. For "in the tension between Federal and State power lies the promise of liberty."

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WELLSTONE. Mr. President, I ask my colleague from California if she has come to the floor to speak on budget and Medicare. She was here first. I will be pleased to follow her.

Mrs. BOXER. Mr. President, I thank my friend, but I will be delighted to follow my friend. So if he would like his time now, that is just fine.

Mr. WELLSTONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I yield myself such time as I might need from the majority leader's time.

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

### MEDICARE

Mr. WELLSTONE. I thank the Chair.

Mr. President, we are, in a very short period of time, going to have a historic debate about the budget and about priorities in our Nation, the United States of America. Part of that debate—and I know my colleague from California will be speaking to this as well—will focus on Medicare.

As I have followed over the last couple of days some of the press conferences and some of the discussions taking place about Medicare, I think it is really important to come to the floor and speak about Medicare, not so much in political terms but in substantive terms.

We are faced with a real irony. It may very well be that a good many of my colleagues will now discover that health care reform—not just a focus on Medicare or Medicaid but real health care reform—is a pressing, compelling issue in this country.

First of all, Medicare is a benefit program. It is not just an actuarial pro-

gram. It is important for me to make this point, Mr. President. My mother and father are no longer alive. Both actually had Parkinson's disease, but I can tell you, for my parents in their older age, Medicare, imperfections and all, was extremely important and it continues to be extremely important to senior citizens in this country.

It is not by any means perfect. It does not cover catastrophic expenses, it does not cover prescription drug costs, and elderly people over 65 years of age pay four times as much out of pocket as citizens under 65 years of age. But I think this focus on the budget is going to get us to the point where all of us understand some realities about health care and health care policy in the United States.

Eighty-five percent of Medicare expenditures pay for care for seniors with household incomes of less than \$25,000 a year. So let us also understand that these benefits help hard-pressed people, not people who have plenty of income on their own.

Second point, Mr. President. I was on the floor the other day in a debate with one of my colleagues—I think it was the Senator from Texas, Senator GRAMM—and he was talking about his efforts to block health care reform in the last Congress and he was proud of that. In another point in time, we will have a debate, and I do not have a practice of debating colleagues when they are not on the floor, but I will say, as a matter of fact, one of the reasons that we are now dealing with the whole question of Medicare and how to finance Medicare is because we did not pass any comprehensive health care reform last Congress.

Mr. President, 89 percent of the growth in Medicare spending since 1980 has been due to medical inflation, general inflation, and changes in enrollment. Let me go over those.

Medicare is a benefit program that, of course, we have to finance. It is part of what we are about as a country. It is, indeed, a contract with senior citizens, and as we move into the next century, a larger percentage of our population are older Americans, and a larger percentage of those older Americans are older. That means that the cost of the program goes up.

Then there is the issue of general inflation. There is not much we can do about the first issue that I mentioned. And there is not that much we can do about general inflation, but we can look at medical inflation.

The interesting thing is that the Congressional Budget Office made it clear last Congress—I did not say Democrat, Republican, but CBO—that there are two ways you can contain medical costs. One is through global spending caps, as in the single payer proposal, or, if you do not prefer that, by placing some limits on insurance premiums. Some limit on insurance premiums is a very effective way of containing costs.

But, Mr. President, if you just focus on one segment of the population and

you cut \$250 to \$350 billion between now and the year 2002, you will have a severe impact on that population. Let me say to my colleagues, when you were talking about rationing last Congress when we were talking about comprehensive health care reform, when you were yelling and screaming about rationing last Congress, I did not think that you had a case to make. But if you are just going to target Medicare, if you are going to cut expenditures for just one segment of the population, then you will ration by age, you will ration by disability, and if you throw Medicaid into the equation, you will ration by income. But now I do not hear my colleagues talking about rationing at all.

Second of all, if you make these cuts in Medicare, you are going to throw this whole health care system into—and I do not want to exaggerate—I would say a fair amount of chaos, if not utter chaos.

I ask unanimous consent to have printed in the RECORD a statement from the National Leadership Coalition for Health Care Reform, which includes many businesses in this case.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NATIONAL LEADERSHIP  
COALITION FOR HEALTH CARE REFORM,  
Washington, DC, April 3, 1995.  
Senator PAUL DAVID WELLSTONE,  
Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: We are writing to express our serious concerns about the proposed cuts in the Medicare and Medicaid programs. Our Coalition is the nation's largest nonpartisan alliance of business, labor, consumers, and providers dedicated to improving the health care system—in order to enhance the availability, affordability, and quality of care. (Our membership list is attached.)

We have long been on record as strong supporters of cost containment for both public and private payers. Until we contain costs, our citizens cannot be secure in coverage for themselves and their families. However, we believe that further drastic cuts in Medicare and Medicaid, coming on top of deep cuts legislated in 1993, would pose program difficulties and force the provider community to increase the shifting of costs to the private sector. Such cost-shifting would result in even more limited access, especially for low and middle-income Americans, and an increase in the number of uninsured.

We are troubled by approaches that focus primarily on cutting the price of services. One of our central concerns—as patients, payers, and providers—is that the quality of care be enhanced by changes in the health care system. If draconian cuts are made in prices, quality could further suffer. We urge a balanced approach, one that would control total system cost while improving quality, stopping cost-shifting, and expanding universal coverage.

We believe that if our nation were to concentrate on better outcomes and quality initiatives in addition to measures targeted on costs, there would be significant gains both in the appropriateness and efficiency of services, and in the reduction of costs. Strong quality assurance mechanisms are also essential as we shift more to better systems of managed care.

We urge Congress to take an integrated approach to addressing our three serious and interrelated problems of cost, quality and access. We fear a one-dimensional approach, or one dealing only with federal programs, will only make matters worse. We stand ready to work with you on a balanced solution that will create a better system for all our citizens.

Sincerely,

PAUL G. ROGERS,  
*Co-Chair.*  
ROBERT D. RAY,  
*Co-Chair.*

MEMBERS OF THE NATIONAL LEADERSHIP  
COALITION FOR HEALTH CARE REFORM

Acme Steel Company.  
Almalgamated Clothing & Textile Workers Union, AFL-CIO.  
American Academy of Family Physicians.  
American Academy of Pediatrics.  
American Association of Retired Persons.  
American Automobile Manufacturers' Association.  
American College of Physicians.  
American Federation of Teachers, AFL-CIO.  
American Iron & Steel Institute.  
American Nurses Association, Inc.  
American Physical Therapy Association.  
American Psychological Association.  
American Subacute Care Association.  
Association of Academic Health Centers.  
Association of Minority Health Professional Schools.  
B. C. Enterprises.  
Bannon Research.  
Bethlehem Steel Corporation.  
Blue Cross Blue Shield of Iowa.  
Blue Diamond Growers.  
Brown & Cole Stores.  
Burlington Coat Factory.  
Ceridian Corporation.  
Christian Children's Fund.  
Chrysler Corporation.  
Cold Finished Steel Bar Institute.  
Communications Workers of America.  
CoreStates Financial Corp.  
Del Monte Foods.  
Designworks Inc.  
Drummond Company Inc.  
Families USA Foundation.  
Filter Materials.  
Ford Motor Company.  
GEC-Marconi Electronic Systems Corporation.  
General Motors Corporation.  
Giant Food Inc.  
The Great Atlantic & Pacific Tea Company, Inc.  
Gross Electric Inc.  
The Heights Group.  
H. J. Heinz Co.  
Inland Steel Company.  
INSIGHT Treatment Services.  
International Brotherhood of Electrical Workers.  
International Multifoods.  
International Union of Bricklayers and Allied Craftsmen.  
Johnstown Corporation.  
Keller Glass Company.  
Lincoln Telephone & Telegraph Co.  
LTV Steel Company.  
Lukens Inc.  
Mankoff, Inc.  
Maternity Center Association.  
Maytag Corporation.  
MEDNET.  
National Association of Childbearing Centers.  
National Association of State Boards of Education.  
National Council of Churches of Christ in the U.S.A.  
National Education Association.

Natinal Steel Corporation.  
Navistar International Transportation Corporation, Inc.  
Norwest Corporation.  
Olympia West Plaza, Inc.  
PAR Associates.  
Pella Corporation.  
Preferred Benefits.  
R. R. Donnelley & Sons Co.  
Ralphs Grocery Company.  
Regis Corporation.  
Rohm & Haas Company.  
Safeway Inc.  
Sara Lee Corporation.  
Scott Paper Co.  
Service Employees International Union, AFL-CIO.  
Sokolov Strategic Alliance.  
Southern California Edison Company.  
Strategic Marketing Information, Inc.  
Texas Heart Institute.  
Time Warner Inc.  
United Air Lines, Inc.  
United Food and Commercial Workers International Union, AFL-CIO.  
United Paperworkers International Union, AFL-CIO.  
United States Catholic Conference.  
United Steelworkers of America, AFL-CIO.  
U.S. Bancorp.  
The Vons Companies, Inc.  
Westinghouse Electric Corporation.  
Wheat, First Securities, Inc.  
Wheeling-Pittsburgh Steel Corp.  
The Whitman Group.  
Wisconsin Public Service Corporation.  
Xerox Corporation.

Mr. WELLSTONE. That is why the business community is opposed to these cuts in Medicare, because they know it will be a shell game. Mr. President, this will result in utterly irrational charge shifting. What will happen is that the providers already not receiving reimbursement they need will just shift the cost to the private sector, to those of us who have private health insurance plans. The business community knows that.

Some of my friends who were talking about Medicare just as a way of reducing the deficit, or even when they talk about reforming health care but just focusing on Medicare, I think really overlooked problems.

Third of all, Mr. President, I could tell you right now, I would fight this tooth and nail if for no other reason than in rural Minnesota, greater Minnesota, many hospitals and clinics will go under. In some cases, 75 percent of their revenues comes from Medicare. If you are going to take a meat-ax approach, a slash-and-burn approach, if you are not going to contain costs in the health care field but you are going to have these cuts in Medicare alone, then I could just tell you right now, many of our hospitals will go under and clinics will go under in our rural communities.

Fourth of all, Mr. President, this idea of vouchers—this is unbelievable. People are going to have to get real with the people that we represent. To say we will just give you a voucher, that we will set some kind of limited per capita payment, and then you go out, senior citizens, and sort of negotiate whatever plan works well for you. Mr. President, with preexisting condition exclusions, with no risk adjustment between plans,

with no community rating, how do you think that is going to work? How do you think that is going to work? If you have a preexisting condition, you may be flat out of luck. If there is no risk adjustment, under a capitated system there will be a tremendous incentive for health plans not to accept people who are older and sicker. You have to make an allowance for that and that involves serious insurance market reforms.

Mr. President, my colleagues and I were able, a couple weeks ago, to restore the funding for an insurance counseling and assistance program—unwanted by Republicans, unfortunately. They wanted to even eliminate a small program providing counselors for elderly people to make sure people do not get ripped off by some of these private Medicare supplementary plans. It is as if they are just going to give people a voucher and say, good-bye, you are on your own.

Finally, Mr. President, let me make a point that the Medicare payment system is the way in which we finance some of the most important things we do in medical education. If we take away that funding, we are going to lose one of the most important things we do in this country. Training residents is a public good—the competitive private insurance market will not pay for it. You would have to ask everyone to pay into a fund in order to eliminate Medicare funding. But I have not heard such a proposal this year.

Mr. President, in Minnesota we have efficient markets. We have done an excellent job of holding down the costs. But there has been very little equity in terms of the kind of per capita payment. Parts of New York get \$646 per month per enrollee, and Hennepin County in Minnesota, urban Minneapolis, gets \$363 per month per enrollee. This is in terms of our reimbursement now for Medicare managed care plans. My State does not have any fat. If you are going to talk about across-the-board cuts, I will just tell you right now the impact on a State like Minnesota will be severe. We are in a very precarious position.

So, Mr. President, let me conclude this way. No. 1, the idea of cutting \$300, \$350, \$250 or \$400 billion in Medicare, so that we can have across-the-board tax cuts flowing to the wealthiest segment of the population, is simply outrageous. It is simply outrageous.

A family making under \$30,000 would be getting, roughly speaking, \$100; and families with incomes of over \$200,000 would be getting, roughly speaking, \$11,000. And for that, we are going to have these kinds of draconian cuts in Medicare? It is outrageous.

No. 2, if we do not have that trade-off—and I think some of our more responsible colleagues understand we cannot do that—I say to my colleagues that you cannot move forward with cuts in Medicare unless you do overall health care reform, and you cannot do it unless you contain overall costs.

I say to the Senators on both sides of the aisle, welcome to health care reform. Welcome to the health care issue. It is back. How ironic it is that when historians write about the 104th Congress, they are going to say that the 104th Congress had to address health care reform, how to finance it, how to deliver health care to people out in the communities in an affordable, dignified way. The reason the 104th Congress finally moved on this question is that some Senators realized, finally, that the only way we are really going to have deficit reduction based on a standard of fairness and the only way we are going to make sure we are able to provide decent health care coverage for all of our citizens, regardless of age or where they live or income, is with significant, meaningful health care reform.

I am ready to work with colleagues on both sides of the aisle, because I think that will now have to be one of our major priorities.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I want to thank my colleague for really putting out in very clear and simple terms the kind of crisis that we knew about. Indeed, President Clinton was so clear in his very first and second State of the Union Address when he said, "If we want to have meaningful deficit reduction, we better address the issue of health care reform."

Here we have a situation—and I serve on the Budget Committee. I am waiting for the Republican budget, by the way. It is way late. Since I came here, I have been on the Budget Committee, and the Budget Committee has been on time. Not this year. Do you know why? Because the Republicans have promised certain things they just cannot keep: huge deficit reduction, increases in the military, big tax breaks for some of the wealthiest again. Guess what? They said they would not touch Social Security. Thank goodness. Frankly, I think a lot of my colleagues made that point clear in the balanced budget debate. So the only cash cow they can look at is Medicare. And at this point, they want to cut hundreds of billions of dollars out of Medicare, and they realize, how can we sell that to the seniors? So they are creating this big crisis.

We talked about the need for health care reform. My friend, Senator WELLSTONE, was one of the leaders in this fight. So I say to my friend, thank you for your remarks this morning. It is almost poignant that we are at this point. Does he not agree?

Mr. WELLSTONE. Mr. President, I thank my colleague from California for her gracious remarks. It is ironic that indeed we have now come full circle back to the last Congress.

The very people who were so proud of having blocked health care reform are now talking about a crisis in Medicare, talking about how we will finance it,

and are now making a proposal, I say to my colleague, for rather draconian cuts in Medicare. But they do not want to talk about rationing. Now they really are making proposals that will ration.

I think there are certain realities now that we all hope we will face up to and move forward on health care reform. It is the only way to do it. Otherwise, it will be disastrous.

The kind of proposals I hear people making now to cut Medicare will not only hurt senior citizens, but as I said, will create absolute utter chaos in this health care system. They do not deal with preexisting conditions, they do not deal with any of the bias of not having community rating, they do not deal with how to make it affordable. If anything, it will just have a severe impact.

Mrs. BOXER. I just want to thank my friend again. He is, of course, correct. The kinds of cuts that my colleagues on the Republican side are talking about out of Medicare simply will ruin Medicare. We cannot possibly, in the name of deficit reduction, destroy the Medicare system or the Medicaid system, for that matter.

#### SENATE AGENDA

Mrs. BOXER. Mr. President, I am very pleased that the leader has reserved some time to discuss general matters. I want to tie a few pieces together.

Before Senator WELLSTONE took to the floor, the Senator from Missouri was praising a Supreme Court decision that gave more power to the States. Rather than get into that decision, I want to point out that in vote after vote, the vast majority of my Republican friends here in the Senate have voted in these last few days to replace State product liability laws, State medical malpractice—indeed, all other civil laws—with Federal laws, with Federal caps.

We certainly know—at least I certainly feel confident in stating to the American people—that these changes are going to hurt them. They are going to hurt consumers in our Nation by substituting politicians' judgments for local judges and juries.

Here we have spent many, many days and many, many hours on a power grab—essentially, a Federal Government power grab—brought by this Republican Congress in the Contract With America, a power grab to say that we in the almighty Senate know better than a judge or jury what someone who has been burned beyond recognition ought to be able to get from those at fault; what someone who perhaps was paralyzed should get; what someone would be able to get if a physician, perhaps in a stupor, makes a dreadful mistake. We have heard of some of those situations occurring.

I think it is very ironic that Senators would come to the floor on the Republican side and talk about how they

think more power ought to be invested in the States and then support this kind of a bill.

I hope today, when we vote cloture, that we will be able to stop this horrific bill from becoming a law of the land.

Mr. President, while I feel we should not be doing that, there are many other things I feel we should be doing here in the Senate, that we should be working on.

One of those, certainly, to my mind, is the confirmation of a new Surgeon General for this country, Dr. Henry Foster. I want to say that, in between my going to committees and my work on the floor, I have watched Dr. Foster. I am very proud of the way he handled himself.

I see, today, he has gained the support of one Republican on the committee, assuring that there will be at least a tie vote. I want to reiterate to the majority leader, Senator DOLE, what I have written to him twice about. I see that the Democrat leader is on the floor and I want to thank him for being so clear on this point.

Americans are fair, Mr. President. Americans are just. The fact is, this man deserves to be heard on this Senate floor.

We have an AIDS epidemic, we have a breast cancer epidemic, we have a lung cancer epidemic, we have an epidemic of teen pregnancies, we have too many cases of Alzheimer's, cancer, and heart disease in this country.

We have too much smoking going on in this country, too many young kids taking up smoking. We need a Surgeon General. I do not know why it has to take 3 more weeks for the committee to vote out Dr. Foster, but so be it.

I want to say today on the floor what I have written to Senator DOLE, that if Senator DOLE refuses to bring this nomination to the floor, even if it is a tie vote or, Mr. President, even if it is a losing vote, if Senator DOLE refuses to bring this nomination to the floor, I reserve my right as a Senator to object to Senate business until we can have this nomination on the floor. Senator DODD yesterday said he thought it would be childish for Members to avoid this discussion on the floor and I want to, again, say that I agree with that.

Now, Mr. President, I would like to speak to one question in my remaining 5 minutes. Where is the Republican budget? By law, the Budget Committee was required to complete work on that budget by April 1. It is May 3, 33 days after that date, and we still have no budget. By law, the entire Congress is required to complete work on the budget by April 15. It is May 3—18 days after that date—and still no budget.

For years, my Republican colleagues have said we could easily eliminate the deficit, and we know how. Not one of my Republicans friends voted for the budget last year, which cut \$500 billion from the deficit—not one. They said, "We can do it better; we can do it