

Mr. WELLSTONE. I thank the Chair.

THE BUDGET AND MEDICARE

Mr. WELLSTONE. Mr. President, first of all, I thought I might just respond very briefly to my colleagues about the budget and specifically about Medicare.

Mr. President, let me just simply say that the most fundamental problem about the proposed cuts in Medicare and Medicaid, up to about \$400 billion between now and 2002, is that these cuts reflect, I fear, a real lack of knowledge about health care policy. That is what bothers me more than anything else, Mr. President.

Mr. President, no one should be surprised about the increase in the cost of Medicare, which, by the way, is a benefits program. It is not an actuarial program. It is a commitment we made in 1965; by no means perfect. Catastrophic expenses are not covered, prescription drug costs are not covered. There are many gaps.

But, Mr. President, the reason that this is an expensive program and the reason the expense increases is because more and more of our population are aging and more and more of the aged population are now in their eighties.

Obviously, we are not going to be able to do anything about that, and I do not think we want to do anything about that.

The second reason is general inflation.

The third is medical inflation.

Mr. President, the problem with this proposal is you cannot single out one part of the health care costs, one segment of the population and cut there without very serious consequences.

Let me spell out a couple. First of all, you do ration. This time we really do ration. Last year, last Congress, there was a hue and cry about rationing when we wanted to have universal coverage. You are going to ration by age, you are going to ration by income, and you are going to ration by disability.

Mr. President, that is what happens when you just pick out one part of the health care costs and you target the elderly and you target low income, and I want to talk about Medicaid as well.

Second of all, the reason the business community, the larger businesses—and I think they are going to get joined by other businesses as well—are going to be uniformly opposed to this—and we are already hearing from the business community—is because it is just going to get shifted to them. This is the problem of charge shifting, I say to my colleague, of cost shifting. This is the shell game to this whole proposition.

When you pay less than what the providers need, when you do not have adequate reimbursement, which is already too low in rural America, those providers have no other choice but to shift it to those who can pay. That is private health insurance. Then businesses are hurt more. Then employees are hurt

more. That is what is going to happen. And more people get dropped. You are going to have a huge amount of cost shifting. You cannot single out one segment of the population. You cannot do it. Welcome to health care reform. That is what we have to get back to.

Mr. President, third of all, in rural America, in rural Minnesota, many of our hospitals and clinics have 75 percent of their patient mix financed by Medicare payments. These hospitals are already having a difficult time. They are going to go under. It is not crying wolf; that is what is going to happen. That is exactly what is going to happen, Mr. President.

Fourth of all, and there are a lot of "alls," but there is another issue I want to talk about as well. But fourth of all, I smile when I hear some of my colleagues make these proposals about vouchers; people can go out and purchase their own health insurance and people have the freedom to do so. Has anybody ever heard of preexisting condition? Do you think that these health insurance companies are going to grant coverage to people who are old and sick? They do not do that. It is called preexisting condition.

By the way, managed care plans, by and large, have been most interested in people that are healthier. I am telling you right now, these cuts—they say they are not cuts—are in relation to an ever-growing percentage of the population who are aged, many who require ever more by way of medical care. I will tell you what, if it is my father and mother—both of them had Parkinson's disease—you better believe I want to make sure they get the best care. So do not tell me you are not going to seriously cut into the quality of care for older Americans. You certainly are.

In addition, you are going to cause a lot of havoc in this whole health care system. Just ask doctors, hospitals, clinics, all sorts of consumer organizations, all sorts of other people whether or not that will not be the case.

So, Mr. President, the irony is we get back to health care reform. There were some very interesting proposals about how to contain costs which we have to do if we are willing to have the courage to go forward. But this just picks out one segment of the population, and, in that sense, it is not intended but I think it will be very cruel in its effect. I do not think it is an intended effect. And it will create widespread havoc in the health care field. No question about it. From where do you think the teaching hospitals are going to get their funding?

FARM BILL

Mr. WELLSTONE. Mr. President, to shift, I want to talk about this 1995 farm bill, and I want to talk about what has come out of the Budget Committee.

I thought we were going to have a farm bill as opposed to just drastic budget cuts. The document that comes

out of the Senate proposes cuts of \$28 billion over 5 years and \$45 billion over 7 years. A fair percentage of these cuts, the majority of these cuts are in nutrition programs—food stamps, Women, Infants and Children Program, School Lunch Program.

By the way, my colleagues in the Senate have gone on record that we will not take any action to create more hunger or homelessness among children. We had studies in the mid- and late 1960's about hunger in America, TV documentaries. That is when we expanded the Food Stamp Program.

Guess what? You bet it was a program that worked. I am not going to let anybody get away with talking about fraud here and fraud there. Yes, there are examples of fraud, no question about it, which should be stopped, but on the whole, this Food Stamp Program has made a gigantic difference in reducing hunger and malnutrition in the United States of America.

Now we want to have drastic cuts in the Food Stamp Program, Women, Infants, and Children Program, and, in addition, you go after the deficiency payments, the target prices, I say to the Chair, for farmers.

The farmers in Minnesota are real clear. We took a big hit last time around on deficit reduction, and people in agriculture in my State are not opposed to deficit reduction, but they want to see some standard of fairness. What family farmers say in Minnesota is, "If you give us a price in the marketplace, you can eliminate the target prices, you can eliminate the deficiency payments."

But if we do not have a fair price in the marketplace and you have drastic cuts in deficiency payments, you will erode family farm income, you will erode the value of the land and just as sure as that happens, we will see family farmers go under.

This is simply unacceptable. If you want to raise the loan rate to a higher level, if you want to give us a fair price in the marketplace, great, that is what people want. But instead what we have had is a policy of low prices which, by definition—correct me—means target price deficiency payments are higher, then that is now used as an excuse for cutting these programs, when we have already taken one hit after another.

The future for agriculture in this country is a fair price in the marketplace. The future for agriculture is let us put value to our products. In Minnesota, we lead the Nation with farmer-owned value-added farm co-ops. That is a big part of what people want to do. But we are not interested in not getting the fair price in the marketplace, not having access to capital to move forward with our own cooperatives, not being able to keep the value of what we produce in our communities and, in addition, seeing severe cuts in programs that provide needed income to family farms. That is what these budget cuts do, Mr. President. That is what these budget cuts do.

Why impose the most pain on those for whom it will be most difficult to bear? Why ask the very people who cannot tighten their belts to tighten their belts? Where is the Minnesota standard of fairness?

I do not see a focus on cutting more unneeded military and corporate welfare spending. I do not see a focus on eliminating lucrative tax breaks for special interests. I do not see a focus on moving away on the House side, and it seems to be that some of my colleagues on the other side of the aisle have split on this, on dealing with the problem of tax cuts for wealthy people.

What are we talking about? We are talking about \$370-some billion, the vast amount of which flows to people on the top. If you have an income of \$200,000 a year, it is a break of about \$30,000. If you have a family income of under \$30,000 a year, it is a break of about \$100 a year. What are we talking about here? Where is the standard of fairness?

Mr. President, over and over and over again, through the time of this 104th Congress, I have been on the floor. I remember when I first uttered these words, I thought to myself, "Are you just giving a speech or is it going to happen?" I had to believe it was going to happen to say it. I said that my fear is the deficit reduction is going to be based on the path of least political resistance. That is exactly what is going on.

I remember David Stockman's book about the early eighties. He said what we should have done was go after the weak claims, not the weak claimants. We are not going after the weak claims, we are not going after the corporate welfare, we are not going after the military contracts, we are not going after the tax breaks, but we are going after the family farmers, we are going after the children, we are going after senior citizens, we are going after education.

There is no standard of fairness whatsoever. It is all based upon who are the folks who have the financial and the political clout to get their voice heard here and who are the vast majority of the people who are shut out of the process. We are going to have one sharp budget debate. When it gets to Medicare and Medicaid, I am going to insist that my colleagues know this policy well and understand exactly what the consequences are of what they are doing. When it comes to the cuts in agriculture—disproportionate cuts—I want to make sure that people know that we are talking about farmers not out of sight out of mind, but the producers in this country, and what this is going to do to family farmers. When it comes to education, I want people to understand the consequences of what it means when we do not invest in education and young people. When it comes to children and child nutrition programs, I want to make this argument: Do not go after the most vulnerable citizens in this country.

When it comes to alternatives, I want to talk about the corporate welfare, I want to talk about the tax dodgers, I want to talk about the military contract, and I want to talk about how we really can contain health care costs. I look forward to this debate. I hope all of the people in the United States of America are engaged in it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to speak as in morning business.

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

THE ASSAULT ON MEDICARE: MYTH AND REALITY

Mr. KENNEDY. The Republican budget plans in the Senate and House of Representatives propose unprecedented cuts in Medicare, some \$250 to \$300 billion over the next 7 years. Cuts of this magnitude will break America's contract with the elderly. Millions of senior citizens will be forced to go without health care they need. Millions more will have to choose between food on the table, adequate heat in the winter, paying the rent, and medical care.

These cuts will also be a heavy blow to the quality of American medicine. It will damage hospitals and other health care institutions that depend on Medicare and that provide essential care for Americans of all ages, not just senior citizens. Progress in medical research and training of health professionals depend on the financial stability of these institutions. Academic health centers, public hospitals, and rural hospitals will bear an especially serious burden if these deep cuts are enacted.

In addition, such cuts will inevitably impose a hidden tax on workers and businesses who will face increased costs and higher insurance premiums as physicians and hospitals shift even more costs to the nonelderly.

According to recent statistics, Medicare now pays only 64 percent of what the private sector pays for comparable physician services. For hospital care, the figure is 68 percent. The proposed Republican cuts will widen this already ominous gap even farther.

Because of the current gaps in Medicare, senior citizens already pay too much for the health care they need. Elderly Americans pay an average of one-fifth of their income to purchase health care, a higher proportion than they paid before Medicare was enacted.

Yet the reason Medicare was enacted in the first place, 30 years ago, was to deal with the health care crisis affect-

ing the lives of older Americans at that time. How can we care any less about their needs today?

Medicare today does not cover prescription drugs. Its coverage of home health care and nursing home care is extremely limited. We go to any senior citizen home in America and ask the senior citizens there how many of them are paying, say, \$50 a month for prescription drugs, half the hands will go in the air. If asked how many pay \$25 a month or more per month for prescription drugs, three-quarters of the hands go in the air.

Looking at what has happened in terms of cost of those prescription drugs, which are so necessary for the senior citizens, we find those costs have been going right up through the roof. They are absolutely an essential part of the needs for our elderly people, and they are not included in the Medicare Program, and they are draining down scarce resources for retirees and for senior citizens.

Unlike virtually all private insurance policies, Medicare does not have a ceiling on out-of-pocket costs. It does not cover eye care, it does not cover foot care, it does not cover dental care. All of those are important needs for our senior citizens.

Yet the Republican budget cuts will ask senior citizens to pay \$900 more a year out of their pockets when the cuts are fully implemented. And the Republican tax bill already passed by the House of Representatives gives the tax cut of \$20,000 to wealthy individuals making more than \$350,000 a year. That is not right and the American people know it.

The assault on Medicare is based on five myths. Myth No. 1 is that deep cuts are needed to save Medicare from bankruptcy. The hypocrisy of this claim is astonishing. A few weeks ago, the House Republicans included a provision in their tax bill to take \$90 billion out of the Medicare hospital insurance trust fund over the next 10 years. We did not hear a word then about the impending bankruptcy of Medicare. They took that amount of money out of the Medicare trust funds. They did not have to unless they were interested in increasing the tax reductions for the wealthiest individuals, but they took that out of the Medicare trust funds.

Now they are talking about how the Medicare fund itself is facing financial difficulties, when just 3 weeks ago they took \$90 billion out of there to use it for tax cuts for the wealthiest individuals.

It is true that an April 3 report of the Medicare trustees projects that the Medicare hospital insurance trust funds will run out of money by the year 2002. Few, if any, Republicans will be talking about deep Medicare cuts to cure that problem if they did not also need such cuts to finance their tax cut for the wealthy.

As the Medicare trustees themselves noted in their report, modest adjustments can keep Medicare solvent for