

the two-term limit on the Presidency, and it certainly is clear now that we need to do the same thing with the House and Senate to limit the tenure.

A second reason for term limits is that a governing elite is more likely to decide that what the citizens earn through their work belongs to the Government and not to the people that earned it. That is one of the dismal results of career bureaucrats in the National Capital. They are so caught up in government and its activities that they have lost sight of the fact that our system was founded on the spirit of free enterprise and individual rights.

Third, the people of North Carolina and the rest of America overwhelmingly support term limits. One national poll of registered voters in January 1996 found that 77 percent of the American people favor term limits, and only 17 percent oppose them. Further, 62 percent of the American people say they wanted their Congressmen and Senators to vote "yes" on a constitutional amendment for term limits that provides a 12-year limit.

Will term limits pass the Senate this time? Maybe not. I certainly hope so. As we all know, it is difficult to get a two-thirds vote, which will be necessary to adopt this. The Constitution was designed for it to be difficult to amend it. So for term limit supporters, we know that the upcoming vote is just the beginning of our efforts and not the end. We will stay with it until we do get it passed.

By committing ourselves to supporting term limits for as long as it takes to get the job done, we are committing ourselves to making the national Congress the model of citizen representation it was intended to be, and restoring our Federal Government to its proper role, and limited role, in our national life.

I strongly support this resolution and am delighted to be a cosponsor on it. I yield the remainder of my time.

Mr. THOMPSON. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator has 2 more minutes.

Mr. THOMPSON. I yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded.

HEALTH INSURANCE REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3103, the health insurance reform bill, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 3103) to amend the Internal Revenue Code of 1986 to improve portability and continuation of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term-care services and coverage, to simplify the administration of health insurance, and for other purposes.

The Senate resumed consideration of the bill.

Mr. THOMPSON. Mr. President, to clarify, the term limits debate will resume again immediately after the health care vote, is that correct.

The PRESIDING OFFICER. The Senator it correct.

Mr. THOMPSON. We will have a vote on term limits at approximately 3:45.

The PRESIDING OFFICER. The Senator is correct.

Mr. SPECTER. Mr. President, I am pleased to support the Health Insurance Reform Act of 1995 and want to commend my colleagues, Senator KASSEBAUM and Senator KENNEDY, for their excellent work on this important subject. As a cosponsor of this bill, I believe that enactment of legislation improving health insurance coverage is long overdue. We owe it to the American people to pass this bill.

The Health Insurance Reform Act represents the type of incremental health care reform which I have long supported. It targets the problems with our current health care system while leaving in place a system that works well for most Americans.

Mr. President, in June 1993, I had my own health problem when a magnetic resonance imaging machine discovered an intercranial lesion in my head. I was the beneficiary of the greatest health care delivery system in the world—the American health care system. That experience made me ever more aware, knowledgeable of, and sensitive to the subject than I had been in the past.

There are some who believed health care reform was dead and declared as much in the fall of 1994 when Congress failed to enact comprehensive health care reform legislation. I am hopeful that they will be proven wrong by the enactment of this bill. President Clinton was in error when he proposed health care by Government mandate and massive bureaucracy. But anyone who read the repudiation of the Clinton bill as an excuse to do nothing is equally in error. We still have a great need to correct the problems in our health care system for the 15.2 percent or 39.7 million Americans, for whom the system does not work. In my own State of Pennsylvania, there is even a greater need, because the number of uninsured under the age of 65 has grown from 10.8 percent to 13.4 percent of the population while we in Congress have done little but debate the correct approach to take concerning health reform. It is high time that Congress takes a real step forward in health care reform, without big government and without turning the best health care system in the world on its head.

To be sure, health care reform remains a very complex issue for Congress to address. But it is not so complex that we cannot act on a bipartisan basis. This is something we should have done years ago. Sixty-five Democrats and Republicans have agreed to cosponsor a bill containing policy mat-

ters we all agree on, such as the need to limit exclusions for preexisting conditions and make health insurance more portable for workers changing jobs. Of course, more can and should be done. But this is what we can agree on now. We will be helping a great many people who desperately need these critical changes in law by acting now.

By way of background, I would note that the legislation before the Senate today, S. 1028, contains provisions very similar to those contained in title I of my own health care reform bill, the Health Assurance Act of 1995.—S. 18—which I introduced on January 4, 1995. I have heard for years from constituents, friends, and family on how important it is that we pass basic insurance market reforms to protect those who are not in perfect health but have some preexisting medical condition. We all are aware of people who are afraid to leave their jobs because they have a heart condition or another medical condition and therefore would be unable to obtain insurance for this problem outside of their present employer. Under the Kassebaum-Kennedy bill, a person can be assured that no preexisting condition exclusion can ever last more than 12 months for conditions discovered in the 6 months prior to coverage. Equally important, the bill enables those workers that were covered under a group health insurance plan to reduce this 12-month preexisting condition exclusion for each month they were covered by a plan. So if an employee with a medical problem is covered by a plan under her current job for more than 12 months, if she takes a job elsewhere, she will be covered under the plan of the new employer.

S. 1028 also contains language similar to my legislation which extends the COBRA health benefits options in a limited manner. S. 1028 specifically extends this option when a former employee or family member becomes disabled during the initial coverage period, and allows newborns and adopted children to be covered immediately under a parent's COBRA policy. Also, S. 1028 provides individuals access to affordable insurance through purchasing groups, which was also allowed under S. 18. This and the other elements of S. 1028 will give the 228 million workers who now have insurance the security of knowing that health coverage options exist if they change jobs, or become unemployed for a limited period of time.

Mr. President, as my colleagues are aware, I have been advocating incremental health care reform in one form or another throughout my 15 years in the Senate, and have introduced and cosponsored numerous bills concerning health care in our country since 1983. In my first term, I sponsored the Health Care Cost Containment Act of 1983, S. 2051, which would have granted a limited antitrust exemption to health insurers, permitting them to engage in certain activities aimed at curbing then escalating health-care

costs. In 1985, I introduced the Community Based Disease Prevention and Health Promotion Projects Act of 1985, S. 1873, directed at reducing the human tragedy of low birthweight babies and infant mortality.

During the 102d Congress, I again pressed for Senate action on this issue. On July 29, 1992, I offered an amendment to legislation pending on the Senate floor that would have increased the deductibility for health care insurance purchased by self-employed persons from 25 to 100 percent, and would have made health coverage more affordable for small businesses through insurance market reforms. This amendment included provisions from legislation introduced by Senator CHAFEE, which I cosponsored, and which was previously proposed by Senators Bentsen and Durenberger. My amendment was defeated on a procedural motion by a vote of 35 to 60 along party lines, and the Senate did not consider comprehensive health care legislation during the balance of the 102d Congress. The substance of that amendment, however, was adopted later by the Senate on September 23, 1992 as an amendment to H.R. 11, the broader tax legislation introduced by Senators Bentsen and Durenberger and which I cosponsored. This latter amendment, which included substantially the same self-employed deductibility and small group reforms that I had proposed on July 29, passed the Senate by voice vote. Unfortunately, these provisions were later dropped from H.R. 11 in the House-Senate conference.

On August 12, 1992, I introduced legislation entitled the "Health Care Affordability and Quality Improvement Act of 1992," S. 3176, that would have enhanced informed individual choice regarding health care services by providing certain information to health care recipients, lowered the cost of health care through use of the most appropriate provider, and improved the quality of health care.

On January 21, 1993, the first day of the 103d Congress, I introduced comprehensive health care legislation entitled the "Comprehensive Health Care Act of 1993," S. 18. This legislation was comprised of reform initiatives that would have improved both access to and the affordability of insurance coverage, and would have implemented systemic changes to lower the escalating cost of care in this country.

On March 23, 1993, I introduced the Comprehensive Access and Affordability Health Care Act of 1993, S. 631, which was a composite of health care legislation introduced by Senators COHEN, KASSEBAUM, BOND, and MCCAIN, as well as my bill, S. 18. I introduced this legislation in an attempt to move ahead on the consideration of health care legislation and provide a critical mass as a starting point. On April 28, 1993, I proposed this bill as an amendment to the legislation then pending on the Senate floor, the Department of Environment Act, S. 171, in an attempt

to urge the Senate to act on health care reform. My amendment was tabled by a vote of 65 to 33, largely along party lines.

As I mentioned earlier, on January 4, 1995, I introduced S. 18, the Health Assurance Act of 1995, which improved upon many provisions included in my health care legislation from the 103d Congress and provided a framework for targeted reform that could be built upon if needed. In addition to addressing the portability issue, S. 18 has three other important objectives: First, to provide affordable health insurance for the 40 million Americans now not covered; second, to reduce health care costs for all Americans; and third, to improve coverage for underinsured individuals and families. All of these objectives are accomplished through initiatives that our health care system could readily adopt without creating an enormous new bureaucracy.

In total, I have come to the Senate floor on 14 occasions over the past 4 years to urge the Senate to address health care reform. As early as June 26, 1984, I stated that the issue of health care is one of the most important matters facing the Nation today. That statement continues to ring true today, nearly 12 years later. According to the Health Care Financing Administration, national health expenditures totaled an estimated \$949.4 billion in 1994, representing 13.7 percent of GDP. The Congressional Budget Office [CBO] projected that national health expenditures will total an estimated \$1 trillion for 1995, or 14.1 percent of GDP. According to CBO, spending for health care grew about 6 percent in 1994, and was expected to grow about 7 percent in 1995.

I believe we have learned a great deal about our health care system and what the American people are willing to accept from the Federal Government as a result of debate over President Clinton's proposal in the fall of 1994. The message we heard loudest was that Congress was acting too hastily, and that Americans did not want a massive overhaul of the health care system. Instead, our constituents want Congress to proceed more slowly and to target what isn't working in the health care system while leaving in place what is working.

As I have said both publicly and privately, I was willing to cooperate with President Clinton in solving the problems facing the country. However, there were many important areas where I differed with the President's approach and I did so because I believed they were proposals that would have been deleterious to my fellow Pennsylvanians, to the American people, and to our health care system. Most importantly, I did not support creating a large new government bureaucracy because I believe that savings should go to health care services and not bureaucracies.

On this latter issue, I became concerned about the creation of such a bu-

reaucracy, and asked my staff to review the President's 1,342-page Health Security Act when it was transmitted to Congress on October 27, 1993. My staff found an increase of 105 new agencies, boards, and commissions and 47 existing departments, programs, and agencies with new or expanded jobs. This chart received national attention after being used by Senator Bob DOLE in his response to the President's State of the Union address on January 24, 1994. The response to the chart was tremendous, with more than 12,000 people from across the country contacting my office for a copy. Numerous groups and associations, such as United We Stand America, the American Small Business Association, the National Federation of Republican Women, and the Christian Coalition, reprinted the chart in their publications amounting to hundreds of thousands more in distribution.

In addressing our health care problems, let me be clear: In creating solutions it is imperative that we do so without adversely affecting the many positive aspects of our health care system which works for 85 percent of all Americans. The pending legislation, the Health Insurance Reform Act, achieves this objective and should be viewed as the first step of an incremental approach to health care reform. It is my hope that we can accomplish some additional health care reforms that are equally necessary but would also not disrupt our system, such as increasing the deduction for the health care of the self-employed. Further, we should continue to pursue other initiatives to help reduce health care costs and increase the quality of health care that the majority of this body can agree upon.

The Health Insurance Reform Act of 1995 deserves our strong support and I urge my colleagues to enact this much-needed legislation.

Mr. KERRY. Mr. President, I want to thank Senators KASSEBAUM and KENNEDY for their leadership in putting together this bill which the General Accounting Office [GAO] estimates will help over 21 million people.

I also want to talk today about a woman from Florence, MA, who wrote me about her daughter. She supports this bill, she said, because her daughter has diabetes and the family had a terrible time finding health insurance that would cover her. In her letter she told me, "I think it's immoral for health insurance companies to cut off coverage even while the people they cover are paying their premiums. No health insurance company should have the power to do this to their clients."

Millions of Americans have medical histories or preexisting conditions that make it difficult to get comprehensive insurance coverage. As many as 81 million Americans have preexisting medical conditions that could affect their insurability. Many people are locked in their jobs because they fear they will be unable to obtain comprehensive insurance in new jobs. And many people

who work in small businesses often have trouble getting insurance especially if one employee has medical problems.

I am hopeful that this important bill will pass Congress and will be enacted into law this year. It is time that we help the American people get the health insurance they rightfully deserve.

This bill takes very important steps forward. But we must do more, so that ultimately we have coverage for all Americans. Currently, 40 million Americans live without health insurance, and 23 million of the 40 million are workers, according to a study by the Tulane University School of Public Health. Furthermore, an average of more than 1 million children a year have been losing private health insurance since 1987. In Massachusetts alone, there are more than 130,000 children—one-tenth of all the children in my State—who are without any health insurance, private or public, for the entire year. And many more children lack health insurance for part of the year. A recent study in the *Journal of the American Medical Association* reported that almost one-quarter of U.S. 3-year-olds in 1991 lacked health insurance for at least a month during their first three years, and almost 60 percent of those lacked insurance for 6 or more months.

Mr. President, this Congress has an unacceptable record when it comes to addressing the real needs of American workers and families. Political divisions and Presidential politics have become an everyday feature of Senate floor action, making it impossible for us to do much of the people's business. This bill still holds the promise of being a notable exception.

I applaud the vision, commitment, and political savvy of the distinguished chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, whom I greatly admire, and the distinguished ranking member of that committee who is the senior Senator from my State. They have crafted a bill which will provide real help to meet the needs of real Americans, and have brought it to the Senate in a form that can become law. I urge all my colleagues to vote for this bill and the conferees to speedily send it to the President's desk for his signature. I will proudly vote for passage this afternoon.

Mr. HEFLIN. Mr. President, for the past 5 years, the issue of health care reform has been at the top of our national agenda. The need for an overhaul in our health care delivery system was a centerpiece of President Clinton's campaign, and our inability to enact comprehensive reform legislation 2 years ago was a profound disappointment.

The debate on the size and scope of the Federal budget and on various items within the so-called Contract With America have dominated congressional business for much of the last

year and a half. Nevertheless, there remains a firm national consensus that something must be done to reform the health care system.

In light of all the money spent on the provision of health care in this Nation, it is surprising that we have not already found a way to deliver a sufficient level of care to the millions of citizens who do not have health insurance. The Department of Health and Human Services estimates that between 32 and 37 million Americans have no health insurance, and an additional 50 to 60 million are underinsured. As translated by the Office of Management and Budget, a total of 13 percent of all Americans are completely uninsured, with as many as 28 percent without insurance for 1 month or more. The Labor Department reports that each year, one million people lose their health insurance.

As currently structured, the private health insurance market provides an insufficient level of coverage for individuals and families with major health problems and makes it difficult for employers to obtain adequate coverage for their employees. This is especially true of small businesses.

The bill before us—S. 1028, The Health Insurance Reform Act—will reduce many of the existing barriers to obtaining insurance coverage by making it easier for people who change jobs or lose their jobs to maintain adequate coverage. It will also provide increased purchasing power to small businesses and individuals. I am proud to support this legislation, which is aimed at covering millions of those who do not have insurance or who have an inadequate level by addressing the issues of portability and preexisting conditions.

S. 1028 builds upon innovative and successful State reforms and enhances the private market by requiring health plans to compete based on quality, price, and service instead of refusing to offer coverage to those who are in poor health and need it the most. Passage of this measure is being called a relatively modest first step toward the kind of comprehensive reform legislation we tried to pass in 1994. I agree that it is only a first step, but feel instead that it is a rather major first step in that it goes a long way toward reaching the goal of universal health care.

The General Accounting Office estimates that enactment of S. 1028 would help at least 25 million Americans each year. This would be a major step in the right direction. It would also provide much-needed momentum for future reform efforts. Equally important, it would not increase Federal spending, impose new or expensive requirements on individuals, employers, or States, or create new Federal layers of bureaucracy.

This measure enjoys wide bipartisan support in Congress and from a host of organizations, including the National Association of Manufacturers, the U.S. Chamber of Commerce, the National

Governors Association, the American Medical Association, the American Hospital Association, Independent Insurance Agents of America, and the Consortium for Citizens with Disabilities.

Specifically, the bill does the following: Limits exclusions for preexisting conditions; guarantees insurance availability; guarantees renewability; ensures portability; and allows small employers and individuals to increase their purchasing power by negotiating for more competitive rates with health plans and providers.

S. 1028 was passed unanimously by the Labor and Human Resources Committee under the leadership of Senators KASSEBAUM and KENNEDY. During this year's State-of-the-Union address, President Clinton challenged Congress to pass it quickly, and described it as the very least that can be done to help some of those 37 million with inadequate care or no care at all. It is a sound, targeted, market-based reform measure that will make it easier for millions of Americans to change jobs without the fear of losing their health coverage. It is a consensus-building approach that can lead to comprehensive reform down the road.

While it is true that this measure does not make all the necessary changes we need in the health care system, it does make a series of valuable reforms that will make a discernible difference in the lives of millions of our citizens. It does this without interfering with those parts of the system which work and without taking away the ability of States to implement their own reforms. I congratulate the bill's managers for their work and the majority leader for scheduling this debate, and urge its swift passage.

Mr. WARNER. Mr. President, it is a pleasure to rise as a cosponsor of H.R. 3103, the Health Insurance Reform Act of 1996. Over the last few years, the Senate has been on a long road on health care reform, and it is a matter of great satisfaction that we have finally reached this important milestone.

H.R. 3103, the so-called Kassebaum-Kennedy bill, represents the core of market-based health insurance reforms on which there has always been wide agreement. The provisions of H.R. 3103 were, in essence, the heart of the Republican Health Care Reform bill developed in 1994 as an alternative to the big-government top-down Clinton health plan.

The 1994 elections, which brought the first Republican majority to Congress in 40 years, provided a clear indication of the overwhelming rejection of President Clinton's plan by the American people. More than any other factor, it was the mandate of the 1994 election which shaped the policy that has guided this debate.

I cannot praise highly enough the remarkable leadership brought to this legislation by the chairman of the

Labor and Human Resources Committee, Senator NANCY KASSEBAUM of Kansas. Her careful management has been discreet, thoughtful, responsive, and thorough. With her partner for the minority in this endeavor, ranking member Senator EDWARD KENNEDY, they have shepherded a unique bipartisan measure—devoid of any real controversy—which could in itself extend health insurance access to an estimated 25 million Americans who, as we say, have fallen through the cracks of health insurance coverage.

This is not a universal coverage bill. Nor does it prescribe specific benefits. It does, however, provide the level playing field which the health insurance industry has long needed to eliminate the 50-State patchwork of different rules and standards for coverage of preexisting conditions, portability, and renewability. As insurance companies will no longer have broad discretion in excluding people from coverage, all companies will be accommodating the costs of high-risk employees.

When speaking of pre-existing condition problems, I always remember the case of the young father employed at a lumber mill in northern Virginia. His wife gave birth to a severely disabled child resulting in abnormally high costs for his employer's health insurance company. At the end of the year, that insurance company approached the mill owner with an impossible choice: If you retain coverage for the disabled child, your premiums will go up by 150 percent. If you exclude coverage for the disabled child, your premium will only go up by 12 percent. The mill owner absolutely could not afford the higher premium and was forced to drop the young family with the disabled child.

So, here you had a case in which an employee wished to stay with his company but had to seek coverage elsewhere. Ironically, current insurance coverage in this country may also cause the reverse: Individuals who wish to move on to another employer but cannot because a preexisting condition can preclude future coverage. They are essentially locked in their jobs for fear of losing their health insurance.

These examples of discriminatory treatment are precisely what we are trying to remedy with the Kassebaum-Kennedy bill. The legislation is good medicine for American health care.

For preexisting conditions, American workers would be required to comply with a maximum 1 year waiting period for coverage by their insurance plan. Were there no waiting period, individuals would be tempted to only purchase health insurance when they or their family members were ill—a practice which would understandably substantially undermine the fiscal strength of the insurance industry.

Once the preexisting condition waiting period has been met, and as long as health insurance premiums are paid up, there should not be a lapse in coverage if you remain with covered employers.

If you should be required to seek individual rather than group coverage, the legislation includes important safeguards for the individual market from the costs of preexisting conditions. One must first have been in group coverage for a minimum of 18 months and then fully used and paid for an additional 18 months of COBRA coverage.

Upon meeting these conditions, the individual health insurance market will be required to offer full benefits without a preexisting condition clause.

I commend the managers of the bill for their efforts to keep the legislation as uncluttered as possible with unrelated or controversial amendments. With the exception of the Dole-Roth Finance Committee amendment, which I was pleased to cosponsor, the bill has the best chance of reaching the President's desk if it remains clean.

I regret that the Medical Savings Account [MSA] provision of the Finance amendment was not retained, but I understand that it might have prompted a Presidential veto. I did support and have cosponsored in the past Senator DOMENICI's successful mental health parity amendment. I sincerely hope that it too will be retained.

Above all, this legislation must pass. We can not allow this opportunity to pass us by. These are the vital health insurance reforms we first learned of in the historic health care debate of the 103d Congress, and it is our job in the 104th to see the job through.

Mr. President, in closing, I must state that this bill is extremely significant to me on a personal level.

My father was a physician who cared deeply about his patients, regardless of their ability to pay. He died when I was only a young man, but I have always revered his legacy of caring for others. If, with this bill, we can extend health insurance coverage to 25 million Americans who now are being denied benefits, my father would be the first to urge its swift passage.

Mr. BIDEN. Mr. President, when comprehensive health care reform went down to defeat in 1994, many of us in the Senate were frustrated because we had let yet another opportunity for reforming the health care system slip away.

At that time, there was wide agreement on some elements of health care reform. I, for one, wanted to go forward with those items—even if they fell short of addressing all of the problems in the health care system. Unfortunately, political considerations on both sides of the aisle and at both ends of Pennsylvania Avenue prevented us from passing even those things we all agreed on.

Today, it appears that cooler heads will prevail. Today, it appears that the Senate will pass—and I will proudly vote for—the Kassebaum-Kennedy health insurance reform bill.

Who would have believed less than 2 years ago that we would be on the verge of passing a bipartisan health care bill. And, who would have believed

that the bill would provide real reform by addressing the most pressing problem faced by middle-class Americans—the possibility that they will lose their health insurance just because they change jobs or get sick.

Four years ago, a national survey showed that nearly one-third of all Americans had at some time in their lives been the victim of "job lock." Fearing the loss of health insurance, they stayed in a job they did not want and did not like. Two years ago, I asked Delawareans that same question—and in responding to my questionnaire, 21 percent of Delawareans said they had experienced job lock. Addressing this problem is long overdue. But, it may finally happen.

With the bipartisan Kassebaum-Kennedy bill, no longer will insurance companies be able to deny coverage for most pre-existing conditions. No longer will Americans be locked in jobs they do not want because changing jobs means losing health insurance. And, no longer will insurance companies be able to cancel a person's policy just because they get sick.

Last year, a General Accounting Office study showed that nearly 25 million Americans could benefit from legislation similar to what we are considering today. It will provide security and peace-of-mind to millions of middle-class Americans and their families.

Mr. President, the Kassebaum-Kennedy bill also provides some important help to small businesses—those who have been most devastated by the rapidly rising costs of health care. First, the bill would increase the self-employed health insurance tax deduction to 80 percent. I am a cosponsor of legislation to increase the deduction to a full 100 percent. This bill falls short of that goal, but it continues to move us in the right direction.

Second, the bill would make it easier for small businesses to join together to purchase health insurance. By pooling their employees, small businesses can spread the health risks among a large number of people and get cheaper insurance rates as a result.

And, third, the bill guarantees that all small businesses will have health insurance available to them. It prohibits insurance companies from cherry picking the businesses with the healthiest employees and refusing to sell to all other businesses. It says, if an insurance company sells to small businesses, it must sell to all small businesses. This sounds simple—even unnecessary. But, in the real world, it is crucial. When just one employee in a small business has a problem pregnancy, or has a disabled child, or suffers from some other medical condition, it often means that no one that works in that small business can get health insurance.

Finally, Mr. President, I want to address the provisions in the bill regarding health care fraud. This is something I have worked on for 4 years now. In 1992, I introduced legislation to

crack down on the small number of health care providers who engage in fraud against their patients, insurance companies, and the American taxpayers.

Those who perpetrate fraud are few in number, but their crimes are large in dollars. During a hearing I held in the Judiciary Committee in 1992, it was reported that up to 10 percent of total health care spending in this country is fraudulent. That is over \$100 billion in health care fraud this year alone.

My bill would have cracked down on these cynical manipulators of the system by increasing the number of Federal investigators and prosecutors going after health care fraud; doubling the penalties for those found guilty; providing rewards for patients and health care workers who come forward with information about fraud; and making sure that the guilty make restitution to the victims. My legislation passed the Senate in 1992 but was never taken up in the House.

A year later, with the leadership of Senator COHEN, health care fraud provisions were included in the Biden crime bill. But, again, the House would not go along, and they were dropped during the conference.

Now, they are back again. And, the fraud provisions in the Kassebaum-Kennedy bill are very similar to the legislation I first introduced in 1992. I want to commend Senator COHEN for his diligence in this area. But, I wish to note that while the House health care bill also contains fraud provisions, some of those provisions would actually weaken the anti-fraud laws. I urge the Senate to insist that they be stripped during the conference.

Mr. President, despite all of the good about this bill—protecting Americans from losing their health insurance, helping small businesses, and cracking down on health care fraud—it will not solve all of America's health care problems. And, it is not intended to.

The fact that it does not address a whole host of problems—including comprehensive cost control and the nearly 40 million uninsured Americans, including 100,000 in Delaware—does not mean these problems do not exist and should not be addressed. Failing to deal with these matters may be a weakness of the legislation. But, ironically, it is also the bill's strength.

Precisely because the bill deals only with the most pressing health care problems, we have a very real chance of passing a health care reform bill for the first time in my nearly 24 years in the Senate. We are on the verge of breaking the gridlock on health care reform.

The fact that it is an incremental—not comprehensive—bill is not a reason to vote against it. In fact, Mr. President, I would argue that it is a reason to vote for the bill. By passing the Kassebaum-Kennedy legislation, we will have made a downpayment on health care reform—addressing some important problems and helping meet

real needs of the American people. If we show that responsible Government action can work—and work well—we will have opened the door to possible future bipartisan agreements to solve other health care issues.

I hope that we will be back to address those issues. But, in the meantime, I hope that we will not let another opportunity slip away. I hope that we will pass the Kassebaum-Kennedy bill.

Mr. SMITH. Mr. President, I rise in support of S. 1028, the Health Insurance Reform Act. This is a good bill that will help millions of Americans obtain health care.

Today, I would like to discuss four provisions that I believe are central to meaningful health care reform. For years, I have said that Congress should pass targeted reforms that take care of these core issues, and this bill does address three of them. They are: health insurance portability, full tax deductibility for long term care insurance, and deductibility of health insurance for the self-employed.

Let me just say for now that we missed a tremendous opportunity to enact tax deductions for medical savings accounts, or MSA's. I will go into that issue in more depth later, but I am very disappointed about its removal from this bill. I can only hope it will prevail in conference.

Health care reform is a very complicated and sensitive issue. Before we start restructuring one of the most important sectors of our economy, we need to study the issue thoroughly. We must make sure we approach it in the proper manner, and listen to all concerns.

In 1994, I was host to a statewide health care conference that featured leading policy experts from every facet of the health care system. I invited doctors, providers, nurses, patients—everyone who would be impacted by health care reform. From this, everyone who participated gained a greater understanding of the complexities of our health care system.

Since that time, I have held citizens' forums to discuss the issue in each of the 10 counties in New Hampshire. In addition to this outreach, I also met privately with every interested group to discuss their specific concerns more deeply.

This is the way to approach this issue—open, public forums, where all of the interested parties get to voice their concerns and share their views. I think the lesson of the White House Task Force, which produced the Clinton reform proposal, is that secret meetings and back room deals are not the way to approach a critical issue like this. Congress must act from a position of genuine consideration and understanding.

The very best part about open forums is that you get a very good sense of what people want, and don't want. In my experience, I hear overwhelming opposition to a Clinton-style government-run health care system. At the same time, I also hear avid support for

the four reforms that I will now discuss.

The first concern is that health insurance should be "portable." I feel very strongly about this issue, as I know the rest of my colleagues do. It is of particular concern to individuals who have preexisting conditions. These are people who are terrified of leaving their jobs, being fired or laid off, changing their jobs, or starting their own businesses—because of the risk of becoming uninsured.

The freedom to change jobs, or even to become self-employed, is one of the cornerstones of our free market economy. When we picture the American dream, we think of a family, a home, children, a college education. But, I think a big part of the American dream is finding a job that you enjoy, one that fits your interests and skills, and working your way up the ladder of success.

This is not always easy. Some people get lucky early in life. They find a good employer and work their way up the company ladder. This was the predominant trend years ago. But for most of us today, the ladder does not go straight up. An individual works at a job for a while and finds that it does not suit him. He may not get along with his boss. Or, maybe he wants to move. Perhaps he wants a larger salary. There are countless reasons why people change jobs these days, and it is a very healthy process. In fact, it has been reported that individuals today hold an average of seven jobs over the course of a lifetime.

I have held a number of different jobs throughout my career: teacher, real estate broker, public servant. As I think back, I don't know whether I would have been as comfortable making some of the career decisions I did if I had to risk losing health coverage for myself and my family.

The greatest fear that most Americans have in changing jobs is the fear of losing their health coverage. There is a term for it now: "Job Lock." It is the one concern that I hear about over and over again at my citizen forums and constituent meetings.

And, it is a concern that applies to the people in our society who are the most vulnerable—people who have chronic health problems, disabilities, injuries, or illnesses. For many of these Americans, finding and holding a job that fits their abilities and interests is not an easy task. For many of these people, there are additional issues related to daily living, caring for children, maintaining a home, transportation, paying the bills, that are particularly challenging for them. The last thing they need, on top of all that, is to be denied health insurance. Most of them have been paying into insurance plans for their whole lives. Now, because they have left their employer, they risk losing everything. It is unfair.

Mr. President, it isn't just the worker who benefits from portability reform. In the same way that an employee can become unhappy with his job, sometimes the employer has reasons to let one of his workers go. These employers face tough decisions. It might be a small business owner who finds that he can't balance his books without making some reductions. It is always a tough situation to face, but these are the economic realities of the business world.

But what if this same small business owner knows that an employee, perhaps a close friend, has a pre-existing condition of a family member with one? This employer has a terribly difficult decision on his hands. He can keep his employee on, just so that the employee can maintain his health coverage—perhaps risking bankrupting the business—or he can lay him off and let him go without insurance. Health portability is probusiness, because it would allow a small business to make those tough decisions while having the peace-of-mind in knowing that the employee and his family would not lose their health coverage.

I have said publicly for years that Congress should do something about portability, and that we do not need socialized medicine to do it. This bill proves that. My State already has an extensive guarantee issue law, so the group-to-individual portability provisions would be superseded by the New Hampshire law. But, frankly, the Kassebaum-Kennedy portability provisions are much more modest than those enacted in my State of New Hampshire.

Next, I would like to address the important provision in the bill that provides for an 80 percent tax deduction for health insurance for the self-employed.

Mr. President, in discussing the portability provisions, I briefly touched on the issue of individuals who, for one reason or another, choose to be a self-employed. Whether it is running a corner store, or even a family farm, many Americans rely on self-employment for their survival. Additionally, these are many Americans who, for a variety of reasons, from physical disability to spending time with their children, find working at home to be the most appropriate and fulfilling way to earn their income.

For these self-employed Americans, health insurance can be a very expensive proposition—so expensive that many choose to go without coverage. There are three main reasons for this.

The first and most obvious reason is that the self-employed have to pick up the full cost of the premiums. Most Americans get insurance through their employer. They pay a portion of the premium, but the best is paid by their employers. For these Americans, there is a big incentive to take advantage of this benefit. But the self-employed are forced to pick up the entire premium. This just goes with the territory. The

reason I am pointing it out is to highlight the fact that tax deductibility is particularly important for these Americans.

The second reason it is so expensive is that individual insurance is much more expensive than group insurance. When I say group insurance, I am generally talking about employer-based insurance.

The reason that group plans are cheaper is because the risk is spread over a broad group of people, sick people and healthy people. But, due to the costly nature of individual insurance and the unfavorable tax situation, healthy individuals are less inclined to buy individual plans. Many of them simply choose to go uninsured. Consequently, because there are fewer healthy individuals to spread the risk, individual insurance is very expensive.

But the primary reason is the tax situation. And this is very easy to fix. Employers get a 100-percent tax deduction for their contribution to an employee's health premiums. Earlier their year, we did raise the self-employed tax deduction to 30 percent. But, I believe that this is still unfair. It ought to be 100 percent for everyone—employers, self-employed, and the individual policy buyer whose employer does not offer health insurance.

This bill raises the deduction for the self-employed insurance premiums to 80 percent. This will go a long way toward eliminating the powerful disincentives for self-employed Americans to buy insurance. It phases the deduction in over 10 years. While I still wish it were 100 percent, and I would like to see it changed right away, this is indeed progress.

In addition to helping the self-employed, this bill has a provision that is of great concern to Americans who wish to purchase long-term care insurance. Just today, I had a constituent visit my office from the Alzheimer's Association. Among her primary concerns was this provision to amend the tax code to make long-term care insurance and expenses tax deductible. I know this disease very well, because my father-in-law had Alzheimer's, and I know how expensive long-term care can be.

Health care is important, but for many, such as those with Alzheimer's disease, it is activities related to daily living that are the problem. The bill specifically defines these activities to include "eating, toileting, transferring, bathing, dressing, and continence."

Under current law, health insurance is tax deductible. But long-term care insurance gets taxed. This bill would provide the same deductibility for long-term care that is currently afforded to health care.

Mr. President, the final provision that I would like to discuss is not in this bill, and that is the tax deductibility for Medical Savings Accounts. It was in the Senate Finance Committee's amendment, and it was in the House bill. Unfortunately, this vital provision

was defeated on the Senate floor by a vote of 52 to 46.

I have discussed the important provisions for self-employed Americans, and employer-based benefits. But, there is another group of people who are in desperate need of help, and that is individuals who are not self-employed, but whose employers do not offer an insurance plan. Many of them are restaurant workers, farm workers, or other people who work for a small employer who cannot offer or chooses not to offer an insurance package.

Under current law, these workers get no tax deduction whatsoever. Not 100 percent, not 30 percent—nothing. It is the same for Americans who are unemployed.

Huge corporations get a 100-percent tax deduction to subsidize their employees' insurance premiums—from the CEO on down. But someone living paycheck to paycheck whose employer can not provide them with insurance—or someone who is unemployed—gets taxed on the full premium.

There are provisions in both the House and Senate bills to allow small businesses join together and form purchasing pools in order to buy insurance at lower rates. The House provisions were somewhat stronger than those in the Senate bill. I am confident that the conferees will work to produce a final version that would greatly increase the number of small businesses that offer insurance to their employees.

As helpful as these provisions will be in increasing access to insurance, there will still be millions of Americans whose employers don't offer insurance, or who are unemployed. For these Americans, there is only one provision that would have helped them—and that is the full tax deductibility for Medical Savings Accounts, or MSA's.

I can't understand why my colleagues would have voted against it. It will obviously be an important issue in Conference, and I am hopeful that it will make it into the final package.

Some have suggested that if we include MSA's in the conference report that it will provoke opposition or even a filibuster by the Democrats. I find it very hard to accept the proposition that Senators would filibuster health care portability reform solely on the basis that we give tax relief for Americans to put money in a savings account for health expenses.

I believe that MSA's are vital to true health care portability. By definition, MSA's are the very essence of portability. When we talk about insurance "portability" as it pertains to the underlying Kassebaum-Kennedy bill, we are using the term figuratively. The employee isn't really bringing his insurance with him, we are just providing him the freedom to shift from one plan to another without being denied coverage.

So, let's take the example of an individual who works for a company for 20 years, and becomes disabled or ill, and must leave his job and give up his employer-based health insurance. Under

the bill, he would be able to buy an individual insurance policy. The insurers would have to take him. But it says nothing about how much the insurer could charge.

So, when he goes to the individual insurance company, the company is going to evaluate him in terms of the health risk that he poses to the plan. It does not matter if he was insured for 3 years or 30 years, the insurance company would consider only his current health status in determining the premium he would pay. Those 30 years of payments mean nothing to the new insurance company.

The only provision that would allow him to transport at least a portion of his coverage is the medical savings account [MSA]. MSA's allow individuals to supplement their insurance policy by investing a certain amount into a tax-free savings account and using that account to pay for their predeductible medical expenses. Any money that the patient has not spent at the end of the year would remain in his account.

It is portability in its most pure form. Because it stays with the employee if he change jobs, because it is his account. If he gets fired, and cannot find a job, he still has the MSA. He could even use the MSA to pay his insurance premiums while he tries to find a job. If he moves to a plan that provides a lower level of coverage, he would still have his MSA money to pay for the uncovered expenses. I feel that he should get a tax deduction for this account, just like Americans get for their individual retirement accounts, mortgages, charitable contributions, and health insurance.

But, there is another reason that MSA's are important to real health care reform, and that is the increased use of preventive health services. I really believe that preventive health care is the solution to many of our health problems.

Most insurance plans have a deductible that people need to meet before their insurance company pays for coverage. This acts as a built-in disincentive for individuals to use preventive health services, and I believe it needs to be at the center of health care reform.

For example, let us say a person has an illness such as diabetes. In order to avoid major health problems, they need to maintain an adequate insulin balance, appropriate diet, and so forth. This can become very costly when the patient must pay for needles, insulin, monitoring devices, perhaps dietitian services, and other costs. If these services are not covered, the individual must pay out of pocket. This discourages the use of preventive health care.

The unfortunate result is major health problems for these people. For diabetes patients, it might even mean a foot or leg amputation—major short term and long term costs to the insurer, the individual, and his family. Of course, add to that the years of pain and hardship that result from this preventable situation.

Let me explain why MSA's encourage preventive health care. The three major issues that result in individuals not getting preventive health care are: deductibles, copayments, and uncovered or partially covered services. In these three situations, the individual is forced to come up with the money on their own, without help from the insurer. In some cases, this forces the individual to choose between the expenses of daily life—food, rent, heating bill—and paying for the preventive health services. Not surprisingly, it is the preventive services that are often pushed aside.

Millions of Americans believe that managed care, so-called health maintenance organizations [HMO's], are the solution to cost control and preventive health care. I would concede that HMO's have done some great things in controlling health care costs in our country. But HMO's still leave the issue of uncovered expenses. There is also the problem where many Americans do not want to join the HMO because they might not be able to keep going to their family doctor, if the doctor does not belong to the HMO.

With an MSA, there are no predeductible expenses, no uncovered health expenses, no copayment as long as the individual still has money in his MSA. So the disincentives that discourage individuals from obtaining preventive health care are greatly diminished.

A March 14, 1995, policy analysis done by the Cato Institute addressed the successes of MSA's in the current system. Even without the favorable tax treatment, the paper states that in its experience with MSA's under the current system, Golden Rule Insurance Co.'s employees increased their use of preventive care.

About 20 percent of the workers with MSAs reported that they used their MSA funds to pay for a medical service they would not have bought under the traditional health insurance policy. That is because the MSA provided the funds at hand that they could use to pay for such services, whereas the traditional policy imposed deductible and coinsurance fees that actually discouraged the use of such services. Moreover, the traditional policy might not cover some services, and the uncertainty alone discouraged workers from obtaining preventive care. But workers know that MSA funds can be used for whatever services they choose.

So we can philosophize all we want about why it happens, but I like to look at the hard evidence. When we look at the facts, MSA's increase the use of preventive care.

Mr. President, recently this issue has somehow become a partisan issue. Some Democrats have put themselves in the awkward position of saying that people should have to pay taxes on their predeductible health care expenses, copayments, prescription drugs, and other uncovered expenses. They can try to explain that to the voters when the election comes around.

But, I think it is worthwhile to briefly review the record here, because his-

torically, this has been a very bipartisan issue, and my colleagues on the other side should be aware of this before they fall on their swords over this so-called controversial provision.

I have a series of letters and a television transcript here from House and Senate Democrats in support of MSA's, including Representatives ANDREW JACOBS, ROBERT TORRICELLI, and House Minority Leader DICK GEHARDT, as well as Senators JOHN BREAUX, SAM NUNN, and the distinguished Senate Democratic leader, Senator DASCHLE. I also have a letter from the National Mineworkers.

These materials clearly show that MSA's have enjoyed broad bipartisan support in the past, and I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

Mr. President, this bill is not perfect. I am sure all of us have changes we would make. I know there are a number of provisions that I would like to see added to the bill. But I am going to vote for it, because I believe it is a big step in the right direction. After the failure of the Clinton socialized medicine plan, Republicans said that we needed a change. We promised Americans that if they gave us a chance, we would give them a real health reform bill—without Big Brother, without the "standard benefits package," without rationing care. We promised them portability and tax relief for the self-employed, and long-term care. We have made good on our promise to the American people and I urge my colleagues to support this legislation.

I ask unanimous consent that letters and a television transcript to which I earlier referred be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, April 17, 1996.

Hon. WILLIAM J. CLINTON,
President, *The White House, Washington, DC.*

DEAR PRESIDENT CLINTON: As original cosponsors of Medical Savings Accounts (MSA) legislation in the House of Representatives, we urge your review of and your public support for this wonderfully innovative idea.

The recent vote on the House Republican plan should not be used to judge the Democratic Party's position on MSAs. As you know, MSAs have become a major plank in Congressman Torricelli's health care platform in his Senate race.

We cannot think of a more Democratic idea than MSAs. In fact, it was originally our idea. We want Democrats to get the credit for it. In the Senate, Democrats John Breaux, Tom Daschle, Sam Nunn and David Boren initiated the idea.

Dick Gephardt included MSA's in the House Democratic Leadership bill in 1994. There were 28 House Democrats who cosponsored our initial MSA legislation. There are currently three Democratic U.S. Senate candidates who have supported MSA legislation: Dick Durbin, Tim Johnson and, of course, Bob Torricelli.

You also should know that the current contract of the United Mine Workers provides its members with MSAs. We do not believe the UMW qualifies as healthier and

wealthier than the general population—a charge leveled by uninformed MSA opponents.

MSAs will hold down health costs and be a boon to lower income employees, single working mothers, as well as the lower and middle income employees all across America. With MSAs, people are rewarded for shopping around and can, in many cases, for the first time spend first dollar health insurance dollars (there are no deductibles or co-payments) on dental care, vision, mammograms, alternative medical therapies, etc.

Mr. President, we believe MSAs will be a huge benefit to the American public. MSAs are not a partisan issue. Democrats supported MSAs in the 102nd and 103rd Congresses and we support them in this Congress because they are a good idea that increases access, controls costs and extends options.

Sincerely,

ROBERT G. TORRICELLI,
Member of Congress.
ANDREW JACOBS, JR.,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, March 27, 1996.

Medical Savings Accounts

DEAR DEMOCRATIC COLLEAGUE: Many interest groups are posturing on the health insurance reform issue. A few are to draw an imaginary line in the sand on Medical Savings Accounts. Medical Savings Accounts should not be a partisan issue.

Please note:

1. Democrats were the initial sponsors of MSAs.

2. MSAs passed the House Ways & Means Committee unanimously in May 1994—when Democrats were in control. Obviously, in 1994, we believed it was part of the solution.

3. MSAs are included as the "sense of the committee" in the Kassebaum-Kennedy bill.

4. MSAs do not favor the young and healthy any more than optional conventional health insurance in the workplace. MSA funds can be used for diabetic maintenance testing and other procedures not generally covered by traditional health insurance. MSA funds can be used for orthodontia care which is also not generally covered.

Health insurance reform is too important to allow the posturing of a few to kill it.

Sincerely,

ANDY JACOBS, JR.
BILL LIPINSKI
GLENN POSHARD.

U.S. SENATE,

Washington, DC, September 8, 1992.

DEAR COLLEAGUE: The United States is faced with a crisis in health care on two fronts: access and cost control. So far, most of the proposals before Congress attempt to deal with access but do not adequately address the more important factor—cost control. We have introduced legislation that will begin to get medical spending under control by giving individual consumers a larger stake in spending decisions.

We have introduced a bill, the Medical Cost Containment Act of 1992 (S. 2873), which would allow employers to provide their employees with an annual allowance in a "Medical Care Savings Account" to pay for routine health care needs. This allowance would not be subject to income tax if used for qualified medical expenses. Any money not spent out of a given year's allowance could be kept by the employee in an account for future medical needs during times of unemployment or for long term care. In order to protect employees and their families from catastrophic health care expenses above the amount in the Medical Care Savings Account, an employer would be required to purchase a high-deductible catastrophic insurance policy.

Unlike many standard third party health care coverage plans, Medical Care Savings Accounts would give consumers an incentive to monitor spending carefully because to do otherwise would be wasting their "own" money. That is, money that they would otherwise be able to save in their account for future needs.

Once a Medical Care Savings Account is established for an employee, it is fully portable. Money in the account can be used to continue insurance while an employee is between jobs or on strike. Recent studies show that at least 50% of the uninsured are uninsured for four months or less.

Today, even commonly required small dollar deductible (typically \$250 to \$500) create a hardship for the financially stressed individual or family seeking regular, preventive care services. With Medical Care Savings Accounts, however, that same individual or family would have this critical money in their account to pay for the needed services.

We feel that, while the Medical Care Savings Account concept does not provide the total solution to the crisis in health care access, it does begin to address the critical aspects of increasing costs and utilization by consumers.

We hope that you will join us as cosponsors of this legislation. If you have any questions please contact us or have your staff contact Laird Burnett of Senator Breaux's staff at 4-4623.

Sincerely,

JOHN BREAUX.
DAVID BOREN.
TOM DASCHLE.
RICHARD LUGAR.
DAN COATS.
SAM NUNN.

[From CNBC's "Equal Time"—Aug. 2, 1994]

MARY MATALIN. You think the Medical Savings Accounts are going to make it through conference?

DICK GEPHARDT. Absolutely. This is an idea the Ways and Means Committee has worked on for three or four years. It's very popular. A lot of people like that option and I think it will be in the final bill. I think it's a great option.

JULY 29, 1994.

Hon. PAUL SIMON,

U.S. Senate, Dirksen Building, Washington, DC.

DEAR SENATOR SIMON: An amendment to the Health Care Package has been offered to add a medical care savings account provision. The United Mine Workers have a similar provision in our current contract that is anticipated to produce a significant savings to our previous insurance. If the amendment offered is consistent with the objectives of our contractual health care provisions, the United Mine Workers in Illinois would support it. The options of utilizing a medical care savings account may assist in solving the Health Care problems in this country.

Another concern of our members is the possible taxation of benefits. Any provisions that allow for taxation of health care benefits would be totally unacceptable. Over the years, the United Mine Workers have negotiated a total package for our members. Advances in wages and other fringe benefits have suffered because of the high cost of health insurance. Taxation of health care benefits would be a slap in the face to the miners in Illinois who agreed to maintaining their health care in lieu of other benefit increases.

I appreciate your efforts on behalf of our members as well as all Americans during the health care debate. I believe that everyone in the United States must be afforded quality

comprehensive health benefits without the fear of losing these benefits through job loss.

Sincerely,

DAN REITZ,

COMPAC Coordinator, District 12, U.M.W.A.

Mr. KEMPTHORNE. Mr. President, I support the Health Insurance Reform Act, for the simple reason it will help provide more accessible and affordable health insurance to more Americans.

The Health Insurance Reform Act helps those who are now unable, for reasons beyond their control, to buy health insurance. It prevents insurance companies from denying coverage to individuals with preexisting conditions, while ensuring that individuals are not able to take unfair advantage of the system by only purchasing coverage when it is actually needed. It prevents job-lock by guaranteeing that individuals who are covered by an employer-sponsored policy will not lose their coverage by changing jobs. It also allows individuals and small businesses to join together to purchase insurance, thereby leveraging their negotiating power to gain better rates and/or benefits. In addition, the bill makes health care more affordable by gradually increasing the deductibility of premium costs for the self-employed to 80 percent—a move which will be of great benefit to the more than 56,000 self-employed Idahoans. I am also pleased to note the bill allows for the cost of long-term care insurance and expenses to be deductible—another of the reforms I have supported since before I joined the Senate. And the Health Insurance Reform Act achieves all these goals without unnecessary Federal intrusion into the health care system.

This bill is the result of the heated and controversial debate over health care policy 2 years ago. You will recall Congress and the American public rejected the proposed Government takeover of health care, but recognized that targeted reforms were needed in health insurance.

The crisis in health care is that too many people are being denied health insurance. That is why, 2 years ago I introduced legislation to address those market reforms on which I knew there was broad agreement. While the details of my bill differ in many ways from the bill we passed, I am pleased to note many of the concepts I embraced then—increasing access to health insurance, portability, renewability, and an end to preexisting conditions exclusions—are found in the Health Insurance Reform Act. The American public said they wanted us to keep the Government out of health care, and to target our health insurance reforms to the market. With this bill, I can say the Congress listened.

I just had a clear example of why this legislation is needed. An Idahoan contacted my office last week asking if the Health Insurance Reform Act would help him. He is currently receiving disability benefits but would rather be working. His American dream is to start his own business. But he fears that becoming more productive will

cause him to lose the Federal benefits which now provide him with his only access to adequate health care. If he knew that his disability, his preexisting condition, would not prevent him from gaining access to health insurance, he could start that business, to provide for himself and his family without the Federal assistance he does not really want, anyway.

During the previous Congress many of us had the opportunity to learn a great deal about the way health care is provided in this Nation. We saw aspects of the system which worked, and I would point out that the overwhelming majority of the system works very well, providing most Americans with the best health care in the world. We also learned about those aspects which needed some adjustments. And that is what we are trying to do—not rebuild health care in the United States, but make appropriate corrections to specific aspects of the system to make it work even better. Most importantly, we are achieving more affordable and accessible health care through private sector reforms.

I must, however, express my disappointment with the vote to exclude medical savings accounts MSA's from this bill. MSA's allow people to save money, tax free, to cover medical expenses. In cases where an employer provides health insurance, the employer contributes to the MSA and, again, these funds are not taxable provided they are used for medical expenses. When combined with a high-deductible, catastrophic insurance policy, MSA's provide individuals with low-cost health care coverage which provides the maximum level of consumer choice and eases many of the financial concerns which face those who need health care services. MSA's are the responsible way to increase both accessibility and affordability in health care coverage.

States are the proving ground for many innovative ideas. Idaho is one of many States to have enacted MSA legislation in recent years and numerous Idahoans have expressed their support for MSA's as a health insurance option. While I believe Idaho, among other States, should be commended for its efforts on this issue, regrettably, the full benefits of MSA's will not be discovered until they are recognized by the Federal Government and given appropriate treatment under the Tax Code. Once again, the States have shown initiative and it is time for the Federal Government to get out of the way and give our citizens the options for which they have asked. As a recent editorial in the Idaho Statesman noted, The nation loses if medical savings accounts are stripped out of the final legislation.

The bill is not perfect. Small insurers have shared their views with me that the provisions related to small group and individual coverage will actually increase the cost of individual policies, thus adding to one of the current insurance problems we face—the lack of af-

fordability. As premium costs increase people will drop out of the system, leaving us with more uninsured and, with a shrinking market, even fewer options for those who continue to purchase health insurance coverage. Obviously, this is not the result for which we are aiming and addressing these questions should be a priority.

That said, I support the Health Insurance Reform Act because I believe it steps in the right direction toward increasing accessibility to health care insurance. Allowing those with preexisting conditions to get and keep health insurance will help ensure coverage for Americans unfairly denied access to health insurance. Providing for portability of health care coverage will help end job-lock and will ensure that those who have faithfully paid into the system will not suddenly be dropped from it. And providing for more favorable tax treatment of insurance premiums for the self-employed, and for long-term care insurance, will make insurance more affordable for numerous other Americans. These are significant reforms which I believe all of us should support, and I urge my colleagues to pass this bill.

Mr. LEVIN. Mr. President, many Americans today, particularly middle-income working families face the declining purchasing power of their wages. They are saddled with the high cost of child care, are trying to get a college education for their children, working to reach the traditional American dream of home ownership and some security for their own retirement years. But perhaps most difficult is the struggle to keep up with the sky-rocketing costs of health care which many are forced to face without adequate health insurance.

Americans want health insurance which covers all Americans, which is affordable, protects the quality of their health care, and can never be taken away. Today, the Senate, I hope, will take a first step in that direction. This legislation does not address the costs, but takes a very important step in protecting the availability of health insurance for many Americans.

I support the legislation before the Senate today. I am pleased to be a co-sponsor of this health insurance reform measure, along with 55 of my colleagues in the Senate. Although it does not solve and does not attempt to solve all of the problems of the present system, it does address some of the most pressing concerns that middle-income Americans have expressed about the diminishing availability and portability of health coverage for themselves and their families.

This bill makes important changes that will protect those who currently lose their insurance coverage because they lose their job or change jobs. And, it protects those who are unable to attain health insurance because of a preexisting medical condition, or who now lose it when they get sick.

One of the consequences of the present health insurance system is

that it creates what is often called "job lock"; that is workers who want to change jobs to improve their careers are forced to give up the opportunity because it means losing their health insurance. A quarter of all Americans say they have been forced to stay in a job they otherwise would have left, because they were afraid of losing their health insurance. This bill ends job lock.

Under the Kennedy-Kassebaum reform bill, exclusion of a preexisting condition will be limited. Employer-provided health plans will not be able to limit or deny coverage for new employees for more than a year because of a medical condition that was diagnosed or treated during the previous 6 months for employees changing plans. No new limit on preexisting conditions may then ever be imposed on those who maintain their coverage, even if they change jobs or their employer changes insurance companies. Cancellation of policies for employees who continue to pay their premiums will be prohibited. Employees coverage can no longer be terminated because they become sick. No employers who want to buy policies can be turned down because of the health of their employees.

Mr. President, I am especially pleased with significant improvements in coverage for pregnant women and newborn children. Under the bill, pregnancy can no longer be considered a preexisting medical condition as is presently the case with some health plans. In some such situations, the mother has no prenatal coverage for pregnancy related services.

The bill also contains a special enrollment period for change in family composition. Under this provision, newborns whose parents wish to enroll them in their group health plan within 30 days of birth may not be excluded from coverage under a group or individual health plan during the child's first 12 months of life.

Additionally, as is the case with individuals who are previously enrolled, children cannot be subject to a preexisting condition exclusion once the condition has been diagnosed, if the condition was previously covered. This provision is intended to ensure that children under the age of 1 are not subjected to new preexisting condition exclusions when their parents change jobs or health plans simply because of their age.

Mr. President, this legislation helps real people. It will help Mike and Elizabeth Gregory of Gains Township, MI. When Mike Gregory was left jobless due to his company's downsizing, his wife Elizabeth and their two daughters lost their health coverage. This situation primarily impacted their youngest child, Danielle, who has cerebral palsy. Only one of the three plans at Mike's new place of employment offers insurance that will not limit coverage for Danielle's preexisting condition, thereby limiting their choice and therefore their selection of benefits.

Barbara Barton of Grand Rapids suffers from MS. She was forced to leave her job in order to reduce the stress that worsened her symptoms, which included temporary blindness and difficulty walking. Ms. Barton was forced to wait 6 months to get health coverage, since MS is classified as a pre-existing condition. Under this bill, she would have been eligible to move to an individual health insurance plan immediately.

Fear of losing health coverage for Mr. Al Miller's preexisting condition prevents his wife from seeking a higher-paying job. The Millers are from Charlotte, MI. Mr. Miller has MS.

Mr. Michael Peel of Flint recently changed jobs and is covered under COBRA has a 2-year-old son with a number of physical ailments. He and his wife are expecting their second child and fear they will not be able to get coverage under Mr. Peel's new job that does not exclude his preexisting condition.

Steven West of Nashville, MI, spoke to me about problems he and his wife Lori have experienced in attaining health insurance coverage for their son, Jacob. Jacob has multiple birth defects. Steven has been able to negotiate coverage at his current job, but fears that he is trapped there by Jacob's needs. Steven has an opportunity to move to a better job, but has been unable to do so because the health coverage would not take care of Jacob.

Mr. President, these are just a few real people in my home State of Michigan who stand to benefit from this legislation, there are thousands like them. I want to commend my colleagues Senator KASSEBAUM and Senator KENNEDY for forging a bipartisan approach to addressing this critical issue. While I would prefer for the Senate to be passing more far-reaching health reform today, perhaps covering all American children, for example, I believe this bill is an important step forward and I urge its enactment.

Mr. MACK. Mr. President, I would like to thank my colleagues for postponing final passage of the Health Insurance Reform Act until my return. The legislation which we will pass today is the straightforward health insurance reform which my constituents have been telling me they want for many years.

The American people rejected the big-government, big-bureaucracy social experiment which the Clinton administration developed—in secrecy, I might add—in 1994. People don't want a one-size-fits-all, government-controlled health insurance system. Americans won't tolerate having a Government board deciding for them which procedures are medically necessary and appropriate. And we know from leading economists that price controls produce shortages, black markets, and reduced quality. Therefore, most Americans and those of us who serve them in Congress rejected the Clinton health care plan.

Two years later, under Republican leadership, we are addressing the aspects of health insurance reform which most people outside the beltway want us to address. We will provide portability of health insurance, which will help put an end to job lock. Insurers will no longer be able to deny coverage due to preexisting conditions. As a cancer survivor, I know personally how important this provision of health insurance reform is to patients.

The legislation ensures guaranteed renewability of policies, with the exceptions of fraud and nonpayment of premiums. It will help the self-employed by increasing the deductibility of health insurance premiums. It facilitates the establishment of voluntary coalitions of small businesses and individuals to negotiate and purchase health insurance. Finally, the legislation provides tax incentives for the purchase of long-term care insurance, and tax-free treatment of accelerated life insurance benefits for those with chronic or terminal illnesses.

I am especially grateful to Senators KASSEBAUM and KENNEDY for agreeing to include genetic information in this important legislation.

I cochaired a hearing with Senator FEINSTEIN last September to examine the issue of genetic information and health insurance. We listened to patients, researchers, biomedical ethics experts, consumer advocates, and others who made the case that Congress must address this complex issue now.

Why now? Because the scientific data and technology for genetic testing are here; but the social, ethical, and legal ramifications have only begun to resonate beyond the scientific community. Put another way: The science of human genetics research is on the Concorde. Yet the legal, social, and ethical debate about how to handle the information in our society has been stuck at Kitty Hawk trying to get off the ground.

This legislation takes an important first step by clarifying that employer-based plans cannot deny coverage, or charge higher premiums, to individual employees based upon their health status, including health status based upon genetic information. While this may not have significant implications today, it certainly will by the end of the decade when international scientists complete the mapping of the entire human genome.

There is still more which needs to be accomplished in this area, such as ensuring the privacy of medical records and prohibiting employment discrimination based upon an applicant's genetic information. Senator HATFIELD, Senator FEINSTEIN, and I look forward to working with our colleagues to enact our legislation to address these concerns.

Today is an historic moment in our Nation's history. We will ensure that all Americans have access to health insurance coverage while maintaining the freedom to choose providers and

benefits. We will preserve our system with the highest quality of care and continue to foster research, innovation, and competition. We will provide employers with the positive incentives to provide health insurance coverage for their employees, and provide tax equity for the self-employed to acquire insurance for themselves and their families.

All of this will be accomplished under the system which has served as the bedrock of every great stride our Nation has made—not through higher taxes, more Government, and more bureaucracy, but rather through free markets and free choice.

Mr. THOMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INHOFE. 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. INHOFE. Mr. President, I ask unanimous consent I be allowed to speak briefly as if in morning business.

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

TERM LIMITS

Mr. INHOFE. Mr. President, I have been watching and listening with a great deal of interest to the debate on term limits. I think there are a lot of us who believe that, regardless of the arguments that come forth on term limits, there are not many minds that will be changed in this Chamber. But many of us have been concerned about the term limits issue long before we got to Congress. I know I became interested in it back in the 1970's, long before I was a Member of Congress.

I think a lot of the reason is that you look and you see the things that are going on in this country, and you see that there is a necessity to change the way we have been doing business.

One argument that has not been used during the course of this debate, that I have heard anyway, is the argument that if we had term limits, it would deter a lot of people from getting into a legislative position for perhaps the wrong reasons. I think quite often people with whom I have served who came here to Congress directly out of college never really had a real job in terms of the real world and did not have any idea of how tough it was out there.

I look at a lot of the things that passed, such as the deficit that has piled up over the years. Certainly, in my position, I look at this as if this is a moral issue, and it is not going to be changed until we are able to change the type of individuals that serve here.

We have excellent people serving here in Congress, but the thing that has always been a problem with me is that people who come to Congress, never having been exposed to the real