

Simon—shifting defense spending.

Wellstone—(1) COPS; (2) children's impact; (3) welfare and domestic violence; (4) LIHEAP; (5) SOS education tax language; (6) relevant.

Wyden—(1) SOS eliminating deductibility environmental damage; (2) DOD expenditures.

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

Mr. DOMENICI. The list has been submitted along with that unanimous-consent request. They are both Democrat and Republican amendments.

Mr. EXON. We have agreed to the list. The chairman has submitted that. We agree those will be the only amendments in the first degree.

Mr. DOMENICI. That does not mean, Mr. President, that every one there will be offered. It depends on the offeror or their designee. But we surmise some will not. But there will not be any other first degrees submitted that are not on that list. We have not waived the Budget Act, as we indicated, Mr. President.

Mr. President, I have another statement to discuss with the Senate.

#### ORDERS FOR FRIDAY, MAY 17, 1996, AND MONDAY, MAY 20, 1996

Mr. DOMENICI. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in recess until 9:30 a.m., on Friday, May 17, and immediately resume the budget resolution at that time.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that when the Senate completes its business on Friday, May 17, it stand in recess until 10:30 a.m., Monday, May 20, and immediately resume the budget resolution.

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

Mr. DOMENICI. I thank the Chair and I thank the Senate.

#### PROGRAM

Mr. DOMENICI. Mr. President, for the information of all Senators, the Senate will consider the budget resolution on Friday and Monday. Since a large number of Senators have indicated they will be available to offer their amendments, no votes will occur either Friday or Monday. Senators who have amendments must offer and debate their amendments either Friday or Monday. It will be the intention of the leadership to conclude the budget resolution by the close of business on Tuesday, if at all possible.

As an example of Senators that have already indicated they will work with their amendments, let me state on Friday—this is not binding in any order—but Senator WELLSTONE will be here at 9:30, Senator MOSELEY-BRAUN, somewhere around 10 o'clock, Senator BYRD somewhere around 11 o'clock, Senator SIMPSON around noon, Senator KERRY has two amendments, somewhere

around 1:30, Senator LOTT in the afternoon, Senator KYL in the afternoon, Senator GRAMM in the afternoon, Senator DORGAN, and Senator KENNEDY, sometime tomorrow afternoon.

Mr. FORD. Will the Senator yield?

Mr. DOMENICI. I am happy to yield to the Senator.

Mr. FORD. We had worked out on this side an opportunity for the Senator from Washington, Senator MURRAY, to be somewhere between noon and 2 o'clock.

Mr. DOMENICI. We will put that in between Senator KERRY and Senator LOTT, who would go later. Senator MURRAY could be somewhere after Senator KERRY.

Mr. FORD. We would like to reverse that, Senator, and put Senator MURRAY before Senator KERRY.

Mr. DOMENICI. We would have Senator MURRAY coming ahead of Senator KERRY, with his two amendments.

Mr. EXON. Mr. President, was putting Senator MURRAY ahead of Senator KERRY cleared with Senator KERRY?

Mr. FORD. Yes, and Senator MURRAY will be speaking in favor of the amendment of Senator KERRY. She has an amendment also. It would work out for her travel plans. We agreed the 12 to 2 o'clock period she could introduce her amendment.

Mr. EXON. This timing is getting rather complicated. Senator KERRY is making a special trip back from Boston and will be in Pittsburgh then he has to go back. He told me he would be here hopefully between 2 o'clock and 3 o'clock. He will be very strapped for time to meet the connection. I simply say as nearly as possible I hope we can accommodate Senator KERRY when he shows up, maybe put him before or after. I did not know about Senator MURRAY.

Mr. FORD. It is somewhere before 2 o'clock.

Mr. EXON. All right. We will do our best to accommodate everyone. I think we have that general understanding.

Mr. DOMENICI. Might I continue. On all the amendments that the Senator from New Mexico just listed, this is not a unanimous consent request, this is a bona fide effort to indicate that these Senators will offer their amendments tomorrow, in somewhat of the order I have described.

Now, Senators are going to be accommodated. We will stay until they are accommodated, and try to use a substantial amount of time. I will not be here after 3:30 but there will be someone here so we get this finished.

Now on Monday, I told the Senators we are doing well on Friday, and on Monday we are doing better. We do not have to have votes because we will have a lot of amendments and stack them in an orderly matter. Senator ASHCROFT, Senator KYL, Senator HARKIN, Senator BUMPERS, Senator FEINGOLD, Senator BAUCUS, Senator LEVIN, Senator SIMON, Senator SNOWE, Senator CHAFEE and Senator BREAUX, the full substitute, they will take 3

hours on Monday afternoon and then they will wrap it up with 1 hour on Tuesday when we sequence them into a voting pattern.

Mr. EXON. What is the time allowed for that amendment?

Mr. DOMENICI. A total of 4 hours equally divided, 3 hours on Monday, and wrap it up with 1 hour on Tuesday.

Then we have Senators BROWN and SIMPSON who will also be ready Monday, Senator ASHCROFT will be ready Monday. Feingold is for Monday.

The last list, starting with Senator HARKIN and ending with Senator ASHCROFT, are Monday amendments in some kind of sequencing related to what I have just described.

Again, nobody is bound to a time but I am really urging and my friend Senator EXON is, and the whip and the minority leader, that we appear and offer them, because that means we will be well on our way to a manageable schedule on Tuesday.

Mr. EXON. I agree. I think it can and will work.

Mr. FORD. May I ask one more question? I apologize for taking so long, but would Senator DOMENICI advise me about the amendment by Senator NUNN on long-term entitlement reform. It seems to me he and Senator BROWN may have a joint amendment. I wanted to be sure that Senator NUNN was accommodated.

Mr. DOMENICI. Mr. President, that is known as the Brown-Simpson-Nunn amendment.

Mr. FORD. That will be sometime late Monday?

Mr. DOMENICI. It looks like it is close to 5 o'clock.

Mr. FORD. That would be ideal, sometime around 5 o'clock or after.

#### CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued the consideration of the concurrent resolution.

Mr. DOMENICI. I suggest the absence of a quorum and ask it be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, we understand Senator BOXER from California is prepared with an amendment at this point.

The PRESIDING OFFICER. The Senator from California is recognized.

AMENDMENT NO. 3982

(Purpose: To preserve, protect, and strengthen the Medicaid program by controlling costs, providing state flexibility and restoring critical standards and protections, including coverage for all populations covered under current law. The amendment restores \$18 billion in excessive cuts, offset by corporate and business tax reforms)

Mrs. BOXER. Thank you very much, Mr. President. I thank my chairman

and ranking member for allowing me to offer this amendment at this particular time. On my side, Senators KENNEDY and GRAHAM would like to speak to this amendment, and I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. GRAHAM, Mr. DORGAN, and Mr. KENNEDY, proposes an amendment numbered 3982.

Mrs. BOXER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, line 5, increase the amount by \$1,900,000,000.

On page 3, line 6, increase the amount by \$2,500,000,000.

On page 3, line 7, increase the amount by \$3,200,000,000.

On page 3, line 8, increase the amount by \$2,700,000,000.

On page 3, line 9, increase the amount by \$2,600,000,000.

On page 3, line 10, increase the amount by \$5,400,000,000.

On page 3, line 14, increase the amount by \$1,900,000,000.

On page 3, line 15, increase the amount by \$2,500,000,000.

On page 3, line 16, increase the amount by \$3,200,000,000.

On page 3, line 17, increase the amount by \$2,700,000,000.

On page 3, line 18, increase the amount by \$2,600,000,000.

On page 3, line 19, increase the amount by \$5,400,000,000.

On page 4, line 8, increase the amount by \$1,900,000,000.

On page 4, line 9, increase the amount by \$2,500,000,000.

On page 4, line 10, increase the amount by \$3,200,000,000.

On page 4, line 11, increase the amount by \$2,700,000,000.

On page 4, line 12, increase the amount by \$2,600,000,000.

On page 4, line 13, increase the amount by \$5,400,000,000.

On page 4, line 17, increase the amount by \$1,900,000,000.

On page 4, line 18, increase the amount by \$2,500,000,000.

On page 4, line 19, increase the amount by \$3,200,000,000.

On page 4, line 20, increase the amount by \$2,700,000,000.

On page 4, line 21, increase the amount by \$2,600,000,000.

On page 4, line 22, increase the amount by \$5,400,000,000.

On page 27, line 16, increase the amount by \$1,900,000,000.

On page 27, line 17, increase the amount by \$1,900,000,000.

On page 27, line 23, increase the amount by \$2,500,000,000.

On page 27, line 24, increase the amount by \$2,500,000,000.

On page 28, line 5, increase the amount by \$3,200,000,000.

On page 28, line 6, increase the amount by \$3,200,000,000.

On page 28, line 12, increase the amount by \$2,700,000,000.

On page 28, line 13, increase the amount by \$2,700,000,000.

On page 28, line 19, increase the amount by \$2,600,000,000.

On page 28, line 20, increase the amount by \$2,600,000,000.

On page 29, line 2, increase the amount by \$5,400,000,000.

On page 29, line 3, increase the amount by \$5,400,000,000.

On page 46, line 12, decrease the amount by \$18,300,000,000.

At the appropriate place insert the following:

**SEC. . SENSE OF THE SENATE.**

It is the sense of the Senate that the provisions contained in this budget resolution assume Medicaid reforms shall—

(1) maintain the guarantees in current law for Medicaid coverage of seniors, children, pregnant women, and persons with disabilities.

(2) preserve current laws protecting spouses and adult children from the risk of impoverishment to pay for long-term nursing home care;

(3) maintain the current Federal nursing home quality and enforcement standards;

(4) protect states from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters;

(5) maintain the successful Federal-State partnership and protect the Federal Treasury against practices that allow States to decrease their fair share of Medicaid funding; and,

(6) continue to provide coverage of Medicare premiums and cost-sharing payments for low-income Medicare beneficiaries, consistent with current law.

Mrs. BOXER. Mr. President, I am honored and pleased to be able to offer the Boxer-Graham-Dorgan-Kennedy amendment regarding Medicaid. The purpose of this amendment is really quite simple and straightforward.

First, my amendment restores the \$18 billion in excess cuts made by the Republican budget, and it will be offset by closing corporate tax loopholes.

Second, my amendment contains a sense of the Senate that any reforms made to Medicaid maintain six particular principles, and I will outline those principles briefly.

But before I do, I think it is important to ask the question, Who does Medicaid really help in this everyday world? Who are the people out there who depend on Medicaid?

First of all, 2 million senior citizens who are in nursing homes are on Medicaid and depend on Medicaid. Two out of every three residents in nursing homes depend on Medicaid.

We also know there are 18 million children who depend on Medicaid—children. It is their lifeline. Half of these children live in working families where their families work very hard. They are the working poor, and their children rely on Medicaid.

The disabled—6 million of our citizens who are disabled rely on Medicaid and perhaps up to 1 million pregnant women rely on Medicaid. Of our children between the ages of 13 and 18, there are 2.5 million.

So millions and millions of Americans rely on Medicaid, and, therefore, this amendment, I think—and I am so pleased that it has broad support on this side of the aisle—is really key to real people.

So the first part of the amendment is that we restore \$18 billion that has

been cut, what we call excess cuts. Second, we have a sense of the Senate on six principles. They are as follows: First, maintain Medicaid coverage for low-income seniors, children up to 18 years of age, pregnant women, and the disabled; second, maintain current protection against the impoverishment of spouses and adult children whose family member is in a nursing home; third, maintain Federal nursing home standards; fourth, protect States from unanticipated increases in enrollment, which can occur as a result of economic fluctuations such as recessions, changing demographics or natural disasters; fifth, maintain the successful Federal-State partnership and protect our Federal Treasury against practices that may allow States to decrease their fair share of Medicaid funding; and sixth, continue to provide Medicare premiums and cost-sharing payments for low-income Medicare beneficiaries that are consistent with current law.

I would like to make this point, Mr. President. All of these six principles that are outlined in this amendment are contained in the President's budget, as well as in the Chafee-Breaux budget proposal; however, they are not maintained or referenced in the Republican budget.

So of the budgets that we will be looking at, namely, the President's budget, the Republican budget, and the Chafee-Breaux budget, we find the Republican budget does not address these six principles. Frankly, we feel it is very important that these principles be adhered to.

Why do I say that? I think the backbone of all the other principles is the guarantee of coverage that exists in current Medicaid law for seniors, children, pregnant women, and persons with disabilities. We know this is a real problem because in the reconciliation bill we saw that there was a walking away from this commitment.

We also believe that a person with certain disabilities in one State might not be considered disabled in another State under this budget. We want to make sure that does not happen. Some States could decide to define disability in such a way that it will not cover many serious disabilities.

So we think it is very important that the people who are now covered remain covered. We do not have that assurance at all in this budget. As a matter of fact, the plans that the Republicans have talked about would allow the States to decide these questions. I think it is very important that it be a national standard here as to who is disabled and who should definitely have coverage.

I want to talk about the guarantee to children. We have no certainty in this Republican budget that children from the ages of 13 to 18 would be covered. Let me tell you the problem. It would mean that a low-income teenage girl, the only way she could get health coverage, if the State decided to cut her

off, is to get pregnant. This is not a message that we want to send to our young people. We should cover children until they turn 18. I think we owe them that.

I want to talk a minute about the other principle, the spouses and adult children who are at risk of impoverishment if one of their family members winds up in a nursing home. Remember, there are 2 million senior citizens in nursing homes, and two out of three of them are on Medicaid. We passed a very important law, when I was over in the House of Representatives, that said we will not drive the adult children of nursing home residents and we will not drive the spouse of a nursing home resident into the poor house simply because their family member is in a nursing home.

I am very fearful that without saying something affirmative in this budget, we could repeal this very important spousal impoverishment provision. We should not be forcing spouses or adult children to be thrust into poverty.

Why do I say that? The average cost for nursing home care, Mr. President, is about \$36,000 a year. Clearly, how many of our people could really pay that?

I think it is crucial that we protect spouses and the adult children of nursing home residents. I think if we do not pass this amendment, our amendment that we have worked on here, that could happen.

Nursing home quality standards. Very clearly we ought to say that we believe there ought to be national standards. Why do I say this? Because we know what can happen. We saw what happened in the 1980's. There were nursing home scandals. We know that our senior citizens were being mistreated, abused. Some of the stories are hair-raising. I will not go into them because time does not permit it. But they were drugged, they were put into baths that were scalding.

What happened? We decided we would have standards and enforcement. Now we have absolutely no assurance in this particular budget that is before us that this will happen. That is why we hope we can get bipartisan support for this particular amendment that I am offering. So it is key to save those nursing home national standards.

One senior citizen in Nebraska is as important as a senior citizen in New York or Ohio or Wyoming or Montana. We want to treat our grandmas and grandpas and our great grandmas and great grandpas with respect. We should have national standards and not back away from them.

We protect the States from unanticipated program costs in the sense of the Senate. We say that, in fact, when you have a natural disaster such as my State of California, or there is an unanticipated cost from a recession, that we will help the States meet their Medicaid burdens.

Finally, an issue that I know Senator GRAHAM is going to speak to because he

was a Governor of the great State of Florida. We want to maintain the successful Federal-State partnership involving Medicaid. We also want to make sure there are no scams in the States, that, in fact, the States do not abuse the Medicaid program.

So, Mr. President, that concludes my remarks. I know that Senators KENNEDY and GRAHAM would like to speak.

I would like at this time to yield them some time, if that is agreeable.

Mr. President, I yield to the Senator from Massachusetts and then to the Senator from Florida. We have had a little bit of intervening debate and I just want to remind everyone what we are talking about here are the people in our country who need us to stand with them: The seniors in the nursing homes, the children with disabilities, the pregnant women, the working poor, the people who are working very hard to stay afloat and need us not to abandon them. I think this amendment we are presenting to you will give them that reassurance that they will not be abandoned.

It is my pleasure to yield 15 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, my friend and colleague from Florida will address the Senate on an extremely important aspect of this whole issue of the cutback in Medicaid. I will try to be to the point but also speak about the importance of this particular amendment.

First of all, I want to thank the Senator from California, Senator BOXER, for being the leader on this particular issue as she has been on so many of the issues involving working families, children, and their parents and the disabled. All of us are grateful to her for her leadership on this issue of restoring some \$18 billion in the Medicaid Program over the next 6 years.

Now, I think Members can ask whether this \$18 billion we see under the Republican program, the reduction of \$72 billion, I think it is important as we commence this debate to understand where that serious cut will come from in the Republican budget and the benefits that this program reaches in terms of children, the disabled and the elderly. The importance of this amendment of the Senator from California is that with the acceptance of some cuts in the Medicaid, those cuts basically will be out of what we call the disproportionate share payments, which go not to the individual reduction in benefits, but are basically funds that go to the State generally. It is extremely important to understand that every dollar in the Senate's program is a dollar that will make a difference in the quality of life of children and seniors.

The second point which is an enormous part of the Senator's amendment which I know that the Senator from Florida will cover is the significance of the Republican budget cuts, which will mean \$250 billion in reduced payments of benefits over the period of the next

6 years because of the changing of the formula in terms of what is required by the States.

This is a very, very dramatic reduction and cut in who will be affected by this. The people that will be affected by this, as the Senator has pointed out, will be the children, the elderly people, nursing homes, and the disabled in our country.

The further point I want to make this evening is that it is important that we had the earlier vote on the Medicare and now on the Medicaid because to a great extent we are talking about the same populations. We are seeing the reductions in the Medicare programs that will affect our seniors, and this is another significant reduction in services for our elderly people as well as the children.

So if you look at the reductions in the Medicare Program, and you look at the reductions in the Medicaid Program, you are finding those cuts, together, are going to be an extremely heavy burden on the most vulnerable in our society—the children, the frail elderly, and the disabled in our community.

Medicaid is the companion program to Medicare, and the Republican assault on Medicaid is just as misguided and unfair as their assault on Medicare. The Republican plan would cut Federal Medicaid payments by \$72 billion over the next 6 years—but that is only the tip of the iceberg. Under the Republican plan, total Medicaid spending would be cut by a staggering \$250 billion—and States will be allowed to spend Federal Medicaid dollars on roads, bridges, and political patronage rather than health care services.

In large measure, the Republican cuts in Medicaid will strike another heavy blow at the same groups hurt by the Republican cuts in Medicare—senior citizens and the disabled. Ten million elderly and disabled individuals are enrolled in Medicaid. Seventy percent of all spending under the program is for these two groups—much of it for long-term nursing home care.

Another group will also be injured by the Republican plan—America's children. Seventy percent of those who rely on Medicaid are children and their parents—a total of 18 million children. One in every five children in America depends on Medicaid. One in every three children born in this country depend on Medicaid to cover their prenatal care and delivery.

Every child deserves a healthy start in life. Under the Republican plan millions of children who have adequate medical care today will be forced to do without it tomorrow.

Medicaid provides good coverage to children today. They are guaranteed prenatal care, immunizations, regular checkups, developmental screenings, and both chronic and intensive physician and hospital care.

The great bulk of Medicaid-covered children are in families with working parents. Most of these parents work

full time—40 hours a week, 52 weeks a year—but all their hard work does not buy them health care for their children, because their employer does not provide it and they cannot afford it.

Even with Medicaid, over 10 million children are uninsured, and each day the number rises. Soon, less than half of all children will be covered by employer-based health insurance. We tried to address this problem in the last Congress—but the Republicans said no. Today, they are trying to undermine the only place that families can turn without employer-provided coverage.

Last year, the Republicans proposed to eliminate all guarantees of coverage for children. This year, it is “only”—only—poor children 13 to 18 who will lose their coverage. In addition, children of all ages—even babies—will lose their current guarantee that all medically necessary treatments will be covered.

The 6 million disabled who depend on Medicaid are even less fortunate. The Republican plan repeals all Federal standards for coverage of the disabled.

States are also free to set any limits on scope and duration of services that they choose. If a State budget is tight this year, why not limit the sick to shorter hospital stays. If they need a week to recover from serious illness or surgery—too bad. That’s somebody else’s problem—if the Republican plan is adopted.

In a very real way, Medicaid is a lifeline for children and families who have nowhere else to turn. Without access to Medicaid, many healthy children will become sick and many sick children will die. It is wrong to put children at risk to pay for tax breaks and special favors for the wealthy and powerful. Greed is not a family value.

Under the Republican plan, senior citizens and the disabled suffer a one-two punch. Deep Medicare cuts, and even deeper cuts in Medicaid. Many will lose their Medicaid coverage or see their benefits cut back. But they will also be victimized by one of the harshest parts of the Republican plan—the elimination of Federal enforcement of quality standards for nursing homes.

Strong quality standards for nursing homes were enacted by Congress with solid bipartisan support in 1987, after a series of investigations revealed appalling conditions in such homes throughout the Nation and shocking abuse of senior citizens and the disabled.

Elderly patients were often allowed to go uncleaned for days, lying in their own excrement. They were tied to wheelchairs and beds under conditions that would not be tolerated in any prison in America. Deliberate abuse and violence were used against helpless senior citizens by callous or sadistic attendants. Painful, untreated, and completely avoidable bedsores were widespread. Patients were scalded to death in hot baths and showers. Others were sedated to the point of unconsciousness, or isolated from all aspects of normal life by fly-by-night nursing

home operators bent on profiteering from the misery of their patients.

These conditions, once revealed, shocked the conscience of the Nation. The Federal standards enacted by Congress ended much of this unconscionable abuse and achieved substantial improvement in the quality of care for nursing home residents.

Last year, the Republican proposal eliminated these standards altogether. When the public outcry was too great, they weakened the standards instead. This year, they claim to leave them unchanged—but they are proposing to leave enforcement to the States, even though it was the States’ failure to protect senior citizens that necessitated passing the 1987 law in the first place.

Whatever the formal rules and regulations say, the Republican cuts in Medicaid are so deep that even conscientious nursing home operators who want to maintain high quality care will be hard-pressed to afford the staff and equipment necessary to provide it.

It is difficult to believe that anyone, no matter how extreme their ideology, would take us back to the harsh conditions before 1987. But that is what the Republican plan will do.

Further, the Republican plan victimizes not only the elderly but their families as well. Last year, the Republicans proposed to repeal the spousal impoverishment protections that protected the husband or wife of a nursing home resident against the double loss of a loved one and the chance to maintain even a modest standard of living. They proposed to repeal protections that have been in place since the Medicaid program was enacted against adult children being required to impoverish themselves to pay for the care of an aged parent.

Again, the public outcry was so great that the Republicans were forced to modify their plan—but they left the fine print in place. Spousal impoverishment provisions were supposedly retained—but they were rendered meaningless by other parts of the Republican plan.

Without a guarantee of coverage, a protection against spousal impoverishment is useless for those who can no longer qualify for assistance in the first place. The plan allowed nursing homes to add extra charges that Medicaid did not cover, and require families to make large up-front deposits before a patient is admitted. Adult children were protected—but only if their income was below the median. Families whose total income is less than the cost of a year in a nursing home would still be liable for the cost of care for their elderly family member.

Republicans claim their new plan avoids this last set of abuses, but the American people should read the fine print.

The Republican plan for Medicaid is an outrage. It says that our society does not care about the most vulnerable groups in our country—people

with disabilities, senior citizens, and children.

These Republican proposals are too harsh and too extreme. They are not what the American people voted for in the last election. They should be rejected out of hand by the Congress, and the American people should reject their sponsors in the next election.

I thank the Senator from California. I yield back whatever time remains.

Mrs. BOXER. Mr. President, I thank my friend from Massachusetts. Before he leaves, I think we have a chance to win this amendment, I say to my friend, because, actually, the Democratic budget addresses these issues. This amendment gives us a chance, those of us who supported that budget, to vote in favor of it. The Chafee-Breaux budget actually that will be presented to us does, in fact, make these commitments. So if everyone who voted for Chafee-Breaux, who voted for the Democratic budget, votes aye on this amendment, I say to my friend that maybe we will have some better luck in the outcome.

My friend talked about turning our backs on those who need us the most. I was present for a hearing that we held when we were doing the health care bill in which we had disabled children who were relying on Medicaid come into the Congress with their caregivers. Usually it was their mom or dad. Just looking at those kids with spina bifida, with kidney problems, with muscular dystrophy, or with multiple sclerosis, trying to live their life with some dignity, relying completely on these payments, it seems to me, I say to my colleagues at this late hour, even if it is late, this is a little sacrifice to make when we think of those children and the sacrifices that they make every day of their lives and the sacrifices that their families make every day of their lives. It is shameful that we would walk away from these children. It is shameful.

Nobody needs to hear a lecture from one Senator to another. I do not mean at all to sound that way, because I do not think that anyone who votes against this amendment wants to hurt those children. But I do think, in the end, that is what will happen.

I yield 15 minutes to my friend from Florida, Senator GRAHAM.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I thank my colleague from California.

Mr. President, this debate should commence with one fundamental truth: The Medicaid Program for the last 30 years has been a great American success. The Medicaid Program has been a great American success. Let me give you a few examples of that success.

In the early 1980’s, in many parts of this country—I can speak specifically for the American South—the rate of infant mortality was a disgrace, rates of infant mortality that were close to those that would be found in some of the less-developed nations of the world.

In that period, leaders in the South decided that they wanted to have a different legacy for the future.

So under the leadership of Governors such as Lamar Alexander of Tennessee, Bill Clinton of Arkansas, Governor Dick Riley of South Carolina, who was designated to be the chair of a task force in the South on the children of the South, Governor Riley made a series of recommendations which were adopted by most of the Southern States. But the keystone recommendation was that the South should take steps to reduce its infant mortality by substantial increases in its commitment to appropriate prenatal care, care for pregnant women, care for infants, and care for children in those critical early days of life.

The effect of that program 10 years later has been a dramatic reduction in infant mortality in the South, and because of that, a significant reduction in infant mortality in the United States, approximately a 20-percent reduction in the number of children who were born without life or with a life that was less than it might have been.

Mr. President, Medicaid was an absolutely critical component of that effort to reduce infant mortality in our Nation, and because of it, there are literally hundreds of thousands of boys and girls who are alive today, living lives that have great promise and opportunity.

Medicare is an American success story. Medicaid has also allowed older Americans to live a life of dignity and respect when otherwise they would have been consigned to the same condition of their parents and grandparents. To get old in America and to be poor in America was to be without dignity and respect.

You say, "Why is this true of Medicaid? I thought it was Medicare that provided services for older Americans." The fact is the two programs work in a very compatible manner. Medicaid, for those elderly who are unable to pay their premiums for Medicare, pays those premiums. It allows the indigent elderly to continue to have access to Medicare physician services. For those indigent elderly who cannot pay their prescription medication, Medicaid pays for their prescriptions so that they can have access to the modern miracles that make life possible and make a quality of life possible.

For many Americans, it is Medicaid which provides access to long-term care, whether that be in a community setting or in an institutional setting such as a nursing home. As the Senator from California has pointed out, most Americans who are in nursing homes today—over two out of three—receive their nursing home monthly payments through the Medicaid Program.

Medicaid is an American success story for older Americans. Medicaid is an American success story because it has served as the fundamental safety net under millions of poor children who without Medicaid would be without any financing for their health care.

In 1980, of all Americans who were employed, approximately 65 to 70 percent were employed in a workplace which provided health care coverage for themselves and for their families. That was part of what we thought was the American dream, that if you worked hard and you supported your family, you would have access to and the capacity to afford to acquire health care. We in Congress promoted that by providing very favorable tax treatment for employer-provided health care benefits. But since 1980, there has been a precipitous decline in the percentage of Americans who are covered at this point of employment with health care. Today that number is below 60 percent, and the estimate is that in the foreseeable future it will drop below 50 percent. Less than half of the Americans who are working will be securing their health care through their place of employment.

The result of this has been literally millions of low-income, not only the employees themselves but even more the dependents of those employees, their spouses and their children, without health care coverage.

What has happened is that as these people fell into medical indigency, it was Medicaid which came to their rescue, and it has provided them with access to health care coverage. If it had not been for Medicaid, we would not be a nation today with some almost 40 million Americans without access to health care financing; we would be a nation with 45 to 50 million Americans without access because persons who had lost their coverage are able, and particularly their dependents are able, to get it through the Medicaid Program.

So the Medicaid Program has been an American success story. Because of that we should not be talking, as is suggested in the Republican proposal of 1996, as it was in the Republican proposal of 1995, about an amputation of Medicaid. Rather, we should be talking about thoughtful reforms that will preserve the fundamental values of the system while making it stronger and better and more adapted to some of the current changes in health care delivery.

What are some of the fundamental issues in that reform of Medicaid? One is, should we maintain the basic national partnership between the Federal Government and the State governments in the financing and delivery of Medicaid services?

There are those who would suggest that that partnership is an anachronism, that it has had its day, but now we should amputate it, cut it off. Let us look for some new mutation to take its place, and that new mutation is going to be some form of block grants where the Federal Government's role is essentially consigned to that of being a check writer that on the October 1 will write 50 checks, send them off to the State capitals of America and with very little involvement wash its hands of the Medicaid Program.

The irony of this proposal, Mr. President, is that the very people who make it with such ardor frequently on other issues look, as one of their political North Stars, to former President Ronald Reagan and suggest that he is in many ways the father of modern conservative political thought.

Would Ronald Reagan have supported a program of block grants to the States for Medicaid? As my colleague from California, who no doubt had an opportunity to observe former Governor and then President Reagan over a number of years, will certainly know, the answer is no, because what President Reagan proposed was that rather than Balkanize Medicaid, Medicaid should be federalized.

He had a couple of compelling reasons why he thought that should be the case. The first was that as a Californian he recognized the fact that if you had differentials in standards, there was a tendency for a mobile population of poor people to seek out those communities that had the most generous standards. In the 1960's and 1970's California had among the most generous standards in the country and therefore served as a magnet for persons to come in the State in order to access those standards. So one rationale of President Reagan was that we needed to have greater uniformity in order to avoid this inducement to move.

A second rationale which I think is extremely relevant today is that President Reagan recognized that Medicaid, which had started as being primarily a program for poor children and their families, was increasingly becoming a program for the frail elderly. In my State today about 60 to 70 percent of the Medicaid funding is spent on people over 65, a very high percentage spent on people over 85. So President Reagan felt that we needed to relook at both Medicare, the health care financing program for the elderly, and Medicaid, the program for the indigent, and attempt to rationalize, harmonize, knit those two programs more effectively together, and that that knitting together would occur with more likelihood if Medicaid was a Federal program than if it were distributed to the States.

Mr. President, I think those two reasons of President Reagan were compelling in the 1980's and, if anything, they are even more compelling today. So it is somewhat of a shock now to see that the descendents of the philosophy of Ronald Reagan want to go exactly in the opposite direction from his advice, and that is to remove the Federal Government as a continuing partner in this national program of Medicaid.

Mr. FRIST. Mr. President, will the Senator from Florida yield for a question for a second?

Mr. GRAHAM. The Senator from Florida is close to being through, and at the conclusion of my remarks, I will be pleased to yield.

The second point is that the Medicaid Program requires a base of financing in

order to meet its current needs and to be able to assume the new responsibilities which clearly lie just over the horizon. As the Senator from Massachusetts pointed out, the proposal of the Republicans will reduce the total funds available for Medicaid over the next 7 years not just by the some \$70 to \$80 billion that will be eliminated at the Federal level but by a figure of close to \$250 billion because the amount that will be asked of the States in their contribution to participate in the Medicaid Program will be so reduced.

Mr. President, I do not believe any serious analysis of the challenges facing Medicaid could come to the conclusion that we can meet the health care needs of Americans with a \$250 billion reduction in funds available in the fundamental safety net program of our national health care system, Medicaid. In fact, there are a number of factors that are going to put Medicaid under greater pressure. One of those factors is the fact that we have a growing number of children and adolescents in our population.

To give just one statistic, last year America graduated approximately 2.5 million students from its high schools. Within less than 9 years, we will be graduating over 3 million children from our high schools, as an indication of this surge of youth that is coming through our society, who in addition to having education needs will also have health care needs which Medicaid would be the principal instrument for meeting.

I ask the Senator from California if she could yield an additional 5 minutes.

Mrs. BOXER. I will do that.

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

Mr. GRAHAM. Also, there will continue, unfortunately, to be a decline in the number of children covered by the health insurance of their parents at a point of employment. The population will continue to age. More people will be in the advanced ages, which is the greatest source of additional cost to the Medicaid Program. We are making some policy decisions such as those embedded in our recent vote on the immigration bill that are going to result in greater demands on the Medicaid system.

So there is no basis for the proposition that we can meet all of these challenges to the Nation's health care system and sustain a \$250 billion cut in the Medicaid Program, most of it being a cut at the State level, not at the Federal level.

Finally, in the Medicaid system, one area of reform that cries out is to treat all States fairly. Today we have extreme disparities in terms of the funding that is provided for the poor child, the poor frail elderly, and the disabled from one State to the next. Those disparities are a function of history, the fact that we have built up a practice of inducing States to come into expanded

Medicaid services by the Federal Government, matching or more than matching those State commitments. Those States that had a sufficient level of affluence to afford a more luxurious system have developed that, and, therefore, that has led to substantially higher amounts of Federal support for their Medicaid programs than for the less affluent States.

We also have the situation in which certain States severely abused a program that had a good purpose: to recognize the special cost of hospitals that served large numbers of indigent Americans. Those hospitals were to be recognized by getting a disproportionate share of Medicaid funds in order to pick up some of that cost that was otherwise uncompensated. Unfortunately, that program was severely abused by a handful of States and resulted in extreme distortions in where Federal Medicaid money went, State to State.

The proposal we have before us would largely freeze those past inequities into place and would make us live with them for the foreseeable future. The amendment offered by the Senator from California represents a clarion voice for reform and fair treatment in that all Americans should be assured that they will be treated equally by their National Government in terms of their access to quality health care.

Those are some of the fundamental issues we are dealing with. Are we going to maintain the Federal-State partnership which has served us so well in reducing infant mortality, providing dignity for older Americans, providing a safety net under an increasingly frayed system of employer-based health insurance? Are we going to maintain an adequate funding basis at both the Federal and the State level to meet increasing demands on our Medicaid Program? And are we going to treat all Americans, wherever they live, fairly?

The amendment that is offered by the Senator from California meets those tests of fundamental fairness and vision for the future of America. The underlying proposal fails on all of those tests.

I urge the adoption of the amendment of the Senator from California.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my friend from Florida, the former Governor and distinguished U.S. Senator. He is on this floor with, I think, very important advice for Senators. It is fiscally responsible. He understands that when you help people who are trying to help themselves, when you help people who deserve help, people who have such problems, disabilities, infirmities, that in fact you are doing the right thing. I thank him very much for his leadership on this.

I say to my friend from Tennessee, that concludes our discussion of this amendment. I will be very happy to yield the floor at this time for him if

he wishes to rebut. But I again urge my colleagues to look carefully at the Democratic budget, at the Breaux-Chafee budget—or Chafee-Breaux budget, as it is called—and the Republican budget. You will see that two out of three of these budgets believe in this amendment, believe strongly in this amendment. I hope those who support both the Democratic proposal and the Chafee-Breaux budget proposal will support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Does the distinguished Senator from California yield back the remainder of her time?

Mrs. BOXER. If my friend is going to speak and wishes to debate this, I have no need to take any amount of time other than to rebut, perhaps, some of his comments if I feel I need to do so. It is not my intention to prolong this debate.

Mr. FRIST. Mr. President, I rise to oppose the amendment of the Senator from California for a number of reasons. Fundamentally, this particular amendment results in more taxation and more spending. The case I would like to lay out is that that increased taxation and increased spending is unnecessary. It is unnecessary.

Let me say at the outset, we have heard a lot from people who care very much about this Medicaid Program. The Medicaid Program is something that I, too, care very much about. I have worked with Members on both sides of the aisle to guarantee that we preserve what is a very good program that has served millions of people, both today and over time.

My role as a public servant, as a U.S. Senator, is one hat that I wear, but in addition to that perspective, I wear the hat of a physician who has taken care of the very people that we have heard talked about tonight. It hurts me when people use words like "walk away from children." I have dedicated my entire adult life to helping children, one on one, as a physician, and to have words like that used on either side of the aisle hurts a great deal.

About 35 percent of the patients I have treated over the last 18 years of my life are Medicaid recipients. Night after night I have sat at the bedside of children, of mothers, of fathers, of people who have benefited from a program that served as a very important safety net for people who otherwise might not have access to care. It is to those people I say, to hear this accusation, it is not medagogy, but it is close, when we have these accusations of walking away. Again, I am not sure it is intended that way, but the fact we are talking about the case of individuals, of children, with accusations elevated to that political—rhetorical, I think—level hurts.

When we heard here words about cut, and the distinguished Senator from Massachusetts used cut again and again and again, and that is associated

with the comments made about walking away from children and the amputation of programs—the growth rate in our proposal is 6.5 percent next year, the year after that, and the year after that—6.5 percent annual growth rate. That means an increase, not a cut, year after year over the next 6 years.

I think, finally, the public at large understands this is not a cut. It was President Clinton who, 3 years ago, in 1993, in an AARP meeting out on the west coast, said what we need to do for this program, Medicaid, is slow the growth from about 10 to 11 percent down to two times inflation. That is what we have done. A program that gives flexibility to States, that covers the people who need to be covered—and I will come to that shortly—we have slowed the growth to exactly what the President said 3 years ago, down to more than two times the rate of inflation. Anybody who has taken time to read what we proposed, it is 6.5 percent growth, year after year.

The President's plan is 7.1 percent. I guess we can debate whether it should be 7.1 or 6.5, but to say we are walking away from children and we are cutting or amputating programs, it is not true and the American people are going to see through that.

I do want to restate the ideas behind the Medicaid reforms and the question I was going to ask earlier of my colleague from Florida, because he kept saying this is a block grant to the States. It is not a block grant. It is not even close to a block grant.

No. 2, he talked about the dissolution, what is no longer a joint Federal-State partnership. It is just not true. It is not true. If you read what our assumptions are in the concurrent budget resolution, it is real simple. It basically says the committee's recommendation assumes implementation of a bipartisan—bipartisan—Medicaid reform plan approved by 48 Governors in early February. It was the unanimous consent of 48 Governors, who put together the plan, which is the basis, the foundation for the assumptions which resulted in our proposal.

It is important to say that, because the second half of the amendment proposed by the Senator from California lists six principles. Let me say at the outset that I agree with most all of those principles. I think that is important. I do not agree we have to increase spending by \$18 billion to accomplish that, and I will come back to it.

But let me say what our plan—the assumptions in the 48 Governors' unanimous consent bipartisan plan which is the foundation, the verbatim foundation for our proposal—does. It is not a cut, it is an increase. I have said that. It is not a block grant, it is a Federal-State partnership.

It is not walking away from children. We cover the same populations, and I will come back to that. We guarantee coverage in this plan of low-income children who I have taken care of; and of pregnant women who I have taken

care of in the past; and of the senior citizens who I have taken care of; and the individuals with disabilities for whom I am an advocate. We guarantee coverage. Period.

No. 2, we maintain the Medicaid Program as a matching program. Matching, that means Federal and that means State; a partnership; hand in hand; money comes from both. It is not a block grant to the States.

No. 3, we continue the Federal minimum standards for nursing homes, which were brought out in the principles of my colleague from California.

No. 4, we continue Federal rules that prevent wives or husbands from being required to impoverish themselves just to keep and obtain Medicaid benefits for their spouses, requiring nursing home care. We continue those Federal rules. Period.

No. 5, we provide coverage of Medicare premiums and cost sharing payments for low-income seniors consistent with the unanimous 48 Governors—at the National Governors Association—Medicaid policy. That is what we do. Let us strip away the rhetoric.

The fundamental problem with Medicaid, because we do have a problem with the program that does serve over 30 million people—we do have a problem. Let us step away and look at the numbers, because we have the budget. We have the assumptions I just talked about, but let us go back to the numbers for one second.

The problem: Federal spending on Medicaid has doubled over the last 5 years; \$90 billion in 1995. It is 20 percent of the State budget. That means if you are a Governor today, anywhere from 18 to as high as 23 percent of all the money in your budget is going to Medicaid. You can say, "Should it be 20 percent? Should it be 15 percent? Should it be 25 percent?" None of us can really answer that question. But what we do know, if you have 20 percent of your budget and the other 80 percent is being spent on crime and the environment and education and roads and police, that if you let that 20 percent grow to 25 percent or 30 percent or 35 percent, what suffers? Education, environment, crime, police, roads.

So at some point, the Governors have to sit back and say, "We have to do something about a program that is one-fifth of our budget that is skyrocketing year after year at the Federal level," and by definition at the State level, is doubling at least every 5 years. If you do not, schools are going to get even worse, our environmental protection is going to get worse, there are going to be fewer police on the streets.

So we have a problem. We all know it is a problem. We are all trying to work together, in a bipartisan way—at least the Governors are, 48 of them—in addressing that problem.

This is why you do not have to raise taxes \$18 billion in this amendment that has been put on the table. You do

not have to. Excessive regulation results in waste.

What has happened over the last 30 years in this program is that with our good intentions in this body, Washington, DC, inside the beltway, we want to help people. How do we do that? We do that by coming to this floor and passing a layer of regulations, and the next year, another layer of regulations put on that, and then another layer of regulations, to where you get to 1996 and you have a program with 50,000 regulations telling you how to spend a health care dollar, which is the taxpayers' dollar, in taking care of that child who I had to do a transplant on or do a heart operation on back at Vanderbilt Medical Center where I was 3 years ago before I came here.

That taxpayer dollar gets eaten up, literally eaten up by the time it gets down to the doctor-patient relationship, and that is the problem we have. It is excessive regulation and waste.

Somebody else has realized that. It is not just us. Governor Bill Clinton, before the House Government Operations Committee, December 8, 1990, I think said it much better than I can. He has been at this a lot longer than I have. He knows how to say things, I think, pretty well. He used the right words:

Medicaid used to be a program with a lot of options and few mandates.

We are the ones who do the mandates.

Now it's just the opposite.

Let us face the facts. He had it right back in 1990, and in this proposal we have today, we have it right. It is not perfect, but it is a lot better than what we have today.

Why do we have to spend another \$18 billion, increase spending \$18 billion, increase taxes \$18 billion, which is what this amendment implies we have to do? Our contention, and the contention of the Governors, is that if you strip away the regulations, if you strip away the requirements of dictating that doctor-patient relationship, what goes on, eligibility, out of Washington, DC, if you strip away those 50,000 regulations and you give much of that responsibility back to States and give them the flexibility to run their programs, you can save money.

You do not have to cut, you can still allow Medicaid to grow over 6 percent, over twice inflation, which is what we do, but you do not have to let it grow at 15 to 17 percent a year.

Let me turn to this one chart just to show you. Tennessee—and we have had discussions on both sides of the aisle of what are called 1115(a) waivers. It is hard to get these 1115(a) waivers. I can tell you, before I came to this Senate, I went through that process with Tennessee and it ain't easy.

The 1115(a) waiver says, in essence, we will let you, as a State, run a program how you see best; we will give you the flexibility, instead of mandating how you run it out of Washington, DC, and let us see what you do.

Tennessee applied for a waiver, received that waiver and let me just show you—it is not a perfect program, and I am not going to be here defending everything about the program—but let me show you just the dollars and cents of what can be done if you give those Governors the responsibility, let them design an appropriate program over time.

This is the Medicaid expenditure growth in the State of Tennessee. This starts in fiscal year 1986, 1987, continues to 1992, 1993, and 1994. The yellow bars are the percentage change in increased expenditures in a State, the overall program, joint State and Federal match.

You can see in fiscal year 1986, the Medicaid Program in Tennessee was growing at 21 percent, and it has happened in all of our States at varying levels. In 1987, it grew at 16 percent; in 1988, it grew at 21 percent; in 1989, a pretty good year, it grew at 14 percent; it grew at 20 percent; 20 percent; 1993, 13 percent; 1992, 34 percent.

Think, if you are a Governor and have a program growing on average about 20 percent, which is this red line, each and every year and you have your budget, 20 percent a year, that part of your budget is growing, all of a sudden, you have to start saying, I can't spend as much on education, I can't spend as much on fighting crime, on putting police on the streets, because we're growing at 20 percent per year.

In Tennessee, for the same amount of money being spent, both at the State and Federal level, by having these 50,000 regulations stripped away, growth in 1994 was right at 1 percent—1 percent. That overall budget about \$2.5 billion did not grow over the course of 1 year. That shows what can be done. It can be done if you give States that flexibility.

That is why I oppose this amendment. You do not have to charge it; \$18 billion more in increased taxes and increased spending.

Let me go back to one other chart just to demonstrate what that actually means. Again, we are talking dollars right now. I am coming back to the eligibility.

This is TennCare in yellow. This is Medicaid in red, which is what would have been projected if we had to still live under the Federal regulations in the State of Tennessee, which other States have to live under. This is in 1994 when the program started. If you look over time with TennCare, you can see that cost and expenditures are controlled, increasing, ironically, at a rate of about 6.5 percent a year in the State of Tennessee.

Look what it would have increased to if we had to live under those excessive, burdensome regulations. President Clinton said it best back in 1990.

Someone might say, Well, I bet you did it in Tennessee by not covering as many people. You are not doing as good a job. In some way you are cutting back on benefits and cutting back

on services. The beauty is we do not have to let taxes grow, and at 20 percent of expenditures. In 1993, 89 percent of the population was covered. This is not very good. This is, of the entire population, 89 percent of all Tennesseans were covered.

By giving States the right to look at their own programs, strip away their regulations, for the same amount of money, for the same amount of money for controlled growth, we were able to cover 94 percent of the population. It is ironic; 89 percent was probably in the lower 10 or 15 of all States of people covered.

In 1994, Tennessee was the No. 1 State in the country in terms of numbers of people covered. Why? Because we were able to cover more people for the same amount of money by stripping away these excessive Government regulations. What? This proposal? We heard a lot of things. A lot of it has been rhetoric.

What is actually in our proposal? I have said, we are going to increase Medicaid spending more than two times inflation, at a rate of an average annual growth of 6.5 percent. Is that a cut? That is not a cut. We are going to spend, in fact, \$54 billion more than in last year's budget resolution.

So we have moved from the resolution last year. The President's plan, as I said, is 7.1 percent growth. The big thing, I think, is that all of our assumptions, all of our savings, are based on the Governors' Medicaid proposal. I think this was missed in all of the earlier comments when we talked about block grants, we talked about no nursing home standards, we talked about lack of eligibility.

Let me just tell you what the Governors' Medicaid proposal says.

Restructuring Medicaid. These are our assumptions.

Eligibility. It is guaranteed for pregnant women up to 133 percent of poverty. It is guaranteed for children to age 6 to 133 percent of poverty; age 6 through 12 to 100 percent of poverty. It is guaranteed for the elderly who meet SSI income and resource standards. It is guaranteed for individuals with disabilities.

Benefits. The following benefits are spelled out by the National Governors' Association recommendation, which was accepted. We based all our assumptions on adopting this plan. The benefits remain guaranteed for in-patient and outpatient hospital services, physician services, prenatal care, nursing facility services, home health care, family planning services and supplies, laboratory and x-ray services, pediatric and family nurse practitioner services, nurse midwife services, and early and periodic screening and diagnosis treatment services.

Nursing home reforms. Again, let me say that in terms of the principles outlined in the amendment under discussion, I agree with many of those principles.

Nursing home reforms. What is in the Governors' plan which is our plan?

States will abide by the OBRA '87 standards for nursing homes. States will have the flexibility to determine enforcement strategies for nursing home standards and will include them in their State plans.

Financing. We heard this statement that this was a block grant to the States. Each State will have a maximum Federal allocation that provides the State with the Federal capacity to cover Medicaid enrollees. The match will continue.

We also have in that plan an insurance umbrella. The insurance umbrella is designed to ensure that States will get access to additional funds for certain populations if, because of unanticipated consequences, the growth factor fails to accurately estimate the growth in the populations. Funds are guaranteed on a per beneficiary basis for those described below who are not included in the estimates of their base and their group.

In closing, Mr. President, I oppose this amendment. I have made the point that we do not need to spend and tax \$18 billion or more to accomplish the goals that are laid out. I have shown, in fact, how one State required zero percent growth, not 10, 15, 20 percent growth, and was able to treat, was able to cover more individuals. We do not need to tax more and we do not need to spend more.

We heard of the amputation of programs. We heard of walking away from children. I do hope we can stay away from that rhetoric because I, as a physician—I am a Senator for awhile, but basically I am a physician. I have taken an oath, and I have lived my life in the service of individuals, again, with about a third of that population being Medicaid recipients.

I want it there. I understand the value of it to be there. I understand the importance of this program and feel that I, in a bipartisan way, with 48 Governors who put their proposal on the table, can achieve the goals that we all want, and that is to provide a safety net for this population, for all three populations who need Medicaid over time.

Mr. President, I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I do not intend to take a great deal of time at all, but I just want to make certain points in response to my friend from Tennessee.

He said it hurt him to hear Senators on this side—and I guess he was quoting me—say their budget, the Republican budget, is walking away from children and poor seniors. When I made that remark, I said specifically, I know no one intends that to be the case. I just happen to believe it is the case. I do not think anyone intends to hurt a child. To hurt a child with spina bifida, to hurt a child in a wheelchair, to hurt a senior citizen who depends on others in nursing homes—no one would ever want to hurt those people.

I just happen to believe that is the outcome. I am not alone in this. I am not alone in this. I am going to talk a little bit about who on the Republican side of the aisle would like to add even more back than Senators GRAHAM, KENNEDY, DORGAN, and I are adding back.

So when I say I think this Republican budget, in terms of its Medicare cuts—I call them excessive cuts—walks away from kids, I do not mean it to hurt any Senators. I am saying it because I think in pragmatic terms it is going to hurt kids and people who are quite vulnerable.

I heard the Senator say that he is proud of the Governors and that they decided they would cover children and they would cover the seniors who are disabled and they would cover pregnant women. I am very glad that they want to. But I would have to take it another step. If the Senator believes it so important to cover pregnant women, if the Senator believes it is so important to cover the disabled and the seniors in nursing homes, then why do we not do it as Americans, as a national Government, and not leave it up to 50 States? Because, let me say this, States can say one thing today. They could be hit with a natural disaster tomorrow, and simply not have the wherewithal to do the job.

You know, when States want to get block grant funding, they may say one thing, and a few years later, change their mind. Why does the Senator think we have Federal nursing home standards? It is simply because the States set the standard, and there was scandal after scandal after scandal. And there were hearings.

I do not know what condition the Senator's State was in, but I can tell you in my home State, there were scandals. Seniors were scalded in bath tubs and were drugged. I know the Senator from Oregon, who has been a champion for senior citizens, knows about those stories. We saw spouses becoming impoverished. We saw adult children of those nursing home residents becoming impoverished. We worked hard over in the House, he and I, with HENRY WAXMAN—and I remember it well—and BARBARA MIKULSKI over here on this side. We said never again will that happen.

Now the Senator from Tennessee says, is it not great that Governors care. I believe that Governors care. But so do I. I happen to be a U.S. Senator. He happens to be a U.S. Senator. We have a chance in the U.S. Senate to say it is important to have Federal nursing home standards and enforcement.

I also would like to say this. My friend says this is a very expensive proposal, \$18 billion. Does he know that Breaux-Chafee, a bipartisan proposal in this U.S. Senate, adds \$31 billion more to the Republican budget? Does he think those people are spendthrifts? Does he think Senator BENNETT, Senator BOND, Senator BROWN, Senator CHAFEE, Senator COHEN, Senator GOR-

TON, Senator JEFFORDS, Senator SPENCER, Senator SIMPSON, Senator SNOWE, his colleagues on the Republican side of the aisle are spendthrifts and do not care about fiscal responsibility? I am sure that he agrees with me that they do care. Yet they are going to be \$31 billion over the Republican budget.

In conclusion, I say this: This is not about rhetoric. This is about adding back \$18 billion, when Breaux-Chafee with all these Republican Senators want to spend \$31 billion more in that same time period.

My friend talks about bipartisanship. My goodness, our amendment is less than their budget in terms of Medicaid. Clearly, there are three proposals out here dealing with Medicaid: The Republican proposal, the Democratic proposal, and Breaux-Chafee. The one, in my opinion, that hurts children, and I do not mean to hurt the Senator when I say this, I just think it is a result of his priority, that hurts seniors, that hurts the disabled, happens to be the Republican budget. That is why I hope we can join hands together, all of us, and support this amendment.

I know the hour is late and I thank my colleague from Florida, my colleague from Massachusetts, my colleague from Oregon for his patience.

I yield the floor.

Mr. FRIST. Mr. President, I oppose the amendment. I disagree on the closing that this proposal hurts children. It is a statement, but there is no data, evidence, or suggestion given that it hurts children. I said eligibility covered children to age 6 through 12 to 100 percent of poverty. This is a National Governors' assumption, proposals.

I guess we could say it hurts children, but there is no evidence and no data that it hurts children. I see nothing, having taken care of children with my hands in a Medicaid Program, I see nothing, nothing, in this proposal that hurts children. Walk away from kids, hurting children—I guess we will just disagree on that.

The Senator from California did strike—I think, again, this is a difference we will not agree upon, but when she has argued that it takes a national program, a National Government, to be able to protect children—

Mrs. BOXER. Will the Senator yield?

I said national standards, not a national program. I said national standards.

Mr. FRIST. If the statement was national standards, let me just say that the standards in the Governors' proposal are basically standards that will be carried out by every State. That is part of the assumption. If it is just national standards, we are OK.

My feeling was at a national level it took us to best decide how to take care of people in Tennessee or in Washington State or in Alabama or Mississippi. That is a fundamental difference, I believe. I think the more we can do at the State level and at the local level, the better. That is where accountability will rest.

I argue strongly that this body, Washington Government, Washington, DC, is not the body that can best cover children or protect children or prevent people from hurting children. I argue it is the people closest to home, that it is the Governors, it is the local governments that can best watch after our children. That is a fundamental difference.

Third, on the Chafee-Breaux, Breaux-Chafee proposal, we have not had that presented yet. I do not know what the dollar figures will be. There are some assumptions that it might be that reform is delayed a year. I have heard that mentioned in these particular proposals. I cannot comment. I do not know the fact that they spend more makes it a better program. I argue that increasing at 6 percent a year based on what we have seen in at least one State, in Tennessee, we can accomplish all of our goals without this radical increase in taxation, more taxation and more spending.

Last, we will come back to the word "bipartisan." I have already mentioned from where we were in the budget resolution last year, we have shifted \$54 billion already. I will say what we have endorsed is a bipartisan plan that Governors together came and endorsed. That is 100 percent of the assumptions we put in our budget. That is bipartisan. We have endorsed that. That is the basis of our assumptions.

With that, I hope when we do vote on this amendment, again, agreeing with many of those principles laid out, but arguing that many, if not most of those proposals are spelled out in this very document which we have endorsed, that we do not need that increased spending. It is unnecessary.

Mr. President, could I ask my colleague from California if she is willing to yield back her time?

Mrs. BOXER. I am happy to yield back all my time on this. I assume, I say to my friend, that we will be voting on this amendment on Tuesday. Is that correct?

Mr. FRIST. I understand it will be stacked on Tuesday.

Mrs. BOXER. I also ask unanimous consent that each side be allowed 1 minute before the vote to explain the amendment.

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

Mrs. BOXER. Mr. President, I ask unanimous consent that the amendment be laid aside so the Senator from Oregon can offer an amendment.

Mr. FRIST. I yield back all my time.

AMENDMENT NO. 3984

Mr. WYDEN. Mr. President, I send an amendment to the desk for immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself and Mr. KERRY, proposes an amendment numbered 3984.

Mr. WYDEN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

**SEC. . SENSE OF THE SENATE REGARDING REVENUE ASSUMPTIONS.**

(a) FINDINGS.—The Congress finds the following:

(1) Corporations and individuals have clear responsibility to adhere to environmental laws. When they do not, and environmental damage results, the federal and state governments may impose fines and penalties, and assess polluters for the cost of remediation.

(2) Assessment of these costs is important in the enforcement process. They appropriately penalize wrongdoing. They discourage future environmental damage. They ensure that taxpayers do not bear the financial brunt of cleaning up after damages done by polluters.

(3) In the case of the Exxon Valdez oil spill disaster in Prince William Sound, Alaska, for example, the corporate settlement with the federal government totaled \$900 million.

(4) The tax code, however, currently allows polluters to fully deduct all expenses, including penalties and fines associated with these settlements. In the case of the Exxon Valdez disaster, deductibility on that settlement at the current corporate tax rate will result in \$300 million in losses to federal tax collections . . . losses which will have to be made up through increased collections from taxation of average American families.

(5) Additionally, these losses also will make it more difficult to move aggressively and successfully toward a balanced federal budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—assumptions in this resolution assume that revenues will be increased by a minimum of \$100 million per year through legislation that will not allow deductions for fines, penalties and damages arising from a failure to comply with federal or state environmental or health protection laws.

Mr. WYDEN. Mr. President, this amendment which I offer tonight with Senator KERRY of Massachusetts would put the U.S. Senate on record as saying that it is time to end tax writeoffs under our Tax Code for polluters.

We know our country wants the Senate to get serious about balancing the budget. I know this has been a slow moving exercise in the past. They want a serious sprint to balancing the budget. I believe it is possible to make real progress in balancing the budget. I said in my campaign that I believe you can balance the budget, just the way Oregon families have to balance their budget.

Under the proposal that I offer tonight, if it had been law over the last 6 years, about \$500 million would have gone to reducing the deficit simply by ending tax writeoffs for those who pollute in our country.

What happens today, even though we want a polluter-pay philosophy with respect to environmental protection, what we do is under the tax law provide a Macy's basement discount for those who actually have to pay penalties.

So what I am proposing tonight with Senator KERRY of Massachusetts, is basic tax fairness. Under our amendment, no longer would average working

families pay more on their taxes just because the polluter has received a writeoff on their tax return. What we propose is to put the Senate on record that all revenues collected, when you have the kind of current tax treatment for these penalties, would go back to the Treasury. It would not go into the pockets of the polluter.

Let me talk, for a moment, about the way it works today under our tax laws. If you have a polluter who violates the Safe Drinking Water Act, a statute that assures that the water our kids drink is safe, they then have to pay a penalty. But under the Federal tax laws, they get a tax break for that penalty that they would be paying.

The Clean Air Act assures that the air our families breathe is pure. But if a polluter violates it and pays a penalty, they get another tax break when they violate that important environmental law.

The Resource Conservation and Recovery Act protects our communities against hazardous waste. When a polluter violates that statute, they have to pay a penalty under the law, but they get a tax break under the Tax Code when they do so.

The CERCLA Act is the one designed to clean up our Nation's Superfund sites, some of the most hazardous and dangerous waste in our country. When a polluter violates those laws, they pay penalties, and, again, get tax writeoffs.

The Oil Pollution Act is a particularly important example of why this change Senator KERRY and I propose tonight is needed. The Oil Pollution Act seeks to guard against devastating oil spills like the *Exxon Valdez*. In the case of the *Exxon Valdez* disaster in Prince William Sound, the polluter agreed to a settlement of approximately \$900 million. The defendant in that case took an immediate \$150 million tax deduction. Over the course of that 10-year payout on that particular settlement, you have a polluter that is going to be able to write off nearly \$300 million of the total cost.

Now, some are going to argue that it makes sense to provide a tax deduction as an incentive for polluters to somehow settle these damage suits. I argue that the knowledge that these polluters are going to pay the full freight of their damage is a lot more than incentive for them to comply with the environmental laws and get serious about cleanup. I do not think it provides any real incentive if you allow people to write off on their taxes when they violate the environmental laws and have to pay penalties. I think it erodes the fairness of the Tax Code when you provide almost unlimited deductibility arrangements for the polluters, where they get a discount of everything they pay up to 34 percent.

Now, the fact is, Mr. President, that all of the major environmental organizations are in support of this particular amendment. They have said this is one of their priorities with respect to the environment and this budget resolution.

Every Member of this body who cares about tax fairness ought to support this amendment. I do not see how a Member can go and stand up at a community meeting, a town hall meeting in their own home State, and justify, at a time when we are seeing pressure for deficit reduction and many valuable programs cut, allowing a tax writeoff of up to 34 percent when you have somebody violating environmental laws and paying a penalty as a result.

So, Mr. President, if the manager for the majority is prepared to yield back time on the amendment, I am prepared to yield back time, as well. Let me see what the desire of the majority is.

Mr. FRIST. Mr. President, I will yield back my time, as well.

Mr. WYDEN. I yield back my time, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

---

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each.

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

---

THE DEATH OF ADM. JEREMY BOORDA

Mr. COVERDELL. Mr. President, I was deeply saddened to learn today that our Nation has lost one of its finest Naval officers. Throughout his entire career Adm. Jeremy Boorda showed an incredible dedication to serving his country. After joining the Navy at the age of 17, Jeremy Boorda became the first enlisted man to rise through the enlisted ranks to become the Navy's top uniformed officer. His outstanding record of service and achievement should be remembered by all of those who are called on to defend their nation and will stand as an outstanding example of how a man through dedication and sacrifice can achieve great things. My wife and I had the pleasure of knowing the admiral and I send my condolences to his wife Bettie and their four children in this difficult time.

---

ADM. MIKE BOORDA

Ms. MIKULSKI. Mr. President, I rise to pay tribute to the life of Admiral Mike Boorda. He was one of our Nation's finest military officers. He was also a friend, whose counsel and advice I often sought—and always respected. I send my deepest sympathy to his wife Bettie and their children. They are in my prayers.

One of my strongest memories of Admiral Boorda is from my visit to Bosnia. The admiral was called away from dinner because of the terrible bombing of the market place in Sarajevo. I went with him to the operations