

Medicare, Medicaid and health policy generally, if he does not find that to be one of the most repulsive aspects of the proposal that has been advanced by our Republican friends?

Mr. ROCKEFELLER. I say to the Senator from Massachusetts, I do, and I am also confounded, frankly, by the sense of its stupidity. It is not just obscene, it is stupid. The American people have rejected the idea of tax cuts for the wealthy. That was rejected, and then they come right back again for the same thing. Maybe there has been more emphasis in the House than here, but nevertheless, there is this tremendous desire for tax cuts for the wealthy. They have to have those tax cuts, and the Medicare beneficiaries just take second place.

I was stunned when I heard the Senator say, "this is the anniversary of the invasion of Normandy and for those people, let them fall where they might."

Mr. KENNEDY. They are the ones who fought in the wars and pulled the country out of the Depression and are the ones who paid into this fund over a period of time. This is not a piggy bank. The Medicare trust fund is not a piggy bank for Republicans to dip into to grant tax breaks for wealthy individuals. That is really the fundamental issue. It will continue to be debated here and across the country in the course of the campaign.

I thank the Senator from West Virginia.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Presiding Officer. I want to continue some of the thoughts of the distinguished Senator from Massachusetts, who has incredible knowledge of this history, over 30 years in the development and nondevelopment of health care policy.

Might I ask the Presiding Officer how much time I have in order to speak?

The PRESIDING OFFICER. Ten minutes.

IMPLICATIONS OF MEDICARE TRUSTEES' REPORT

Mr. ROCKEFELLER. Mr. President, first of all, I will not be able to finish, but I will do the best I can. I want to acknowledge the very serious implications of the Medicare trustees' report released yesterday. The Medicare part A trust fund, the part that pays the hospital bills of beneficiaries, is likely to be insolvent by 2001, a year earlier than predicted last year. This is a very serious issue. I take it as such, and it must be addressed.

So the news is bad, Mr. President. Unfortunately, contrary to assertions made by my colleagues on the other side of the aisle, this is not a new problem, and unlike the Republicans, this is not a problem Democrats just discovered.

The Republicans chose to ignore 20 previous trustees' reports that warned of future trust fund problems. But when they needed to come up with the money to pay for tax breaks, they decided to manufacture an impending crisis.

Just 3 years ago, as the Senator from Massachusetts and I were discussing, the trustees projected the hospital trust fund was going to run out of money in 1999, which is 3 years hence. Democrats took immediate measures, and I know because I was responsible for putting some of those together, to add 3 more years of solvency by very carefully reducing Medicare spending by about \$59 billion. And, Mr. President, Democrats have produced our own Medicare proposals that would postpone the date of trust insolvency for at least another decade. That is called 10 years. That is quite a lot of time.

The CBO has certified that the President's Medicare plan would extend trust fund solvency until the year 2005. Here we are dealing with 9 or 10 years.

The big difference between Democrats and Republicans is that we have only proposed those reductions in spending that are necessary to achieve 10 more years of solvency. That is our only purpose. That is our only policy purpose. The Republicans continue to propose drastic Medicare cuts so that they can pay, again, for what has become a cliché—but a cliché is something that is said so often it is true—tax breaks for the wealthy.

Mr. President, over the past decade, Congress has, and usually in a very bipartisan manner, taken repeated steps to rein in the costs of the Medicare Program. We do not have a bad record on this. We reformed the hospital payment system in 1983. We reformed the physician payment system in 1989. Senator Durenberger, a Republican from Minnesota, was instrumental in that. We did this together, Democrats and Republicans, with minor controversy, to shore up the hospital trust fund. That was the policy purpose, and to make the Medicare Program a prudent purchaser of health care services.

Unfortunately, the bipartisanship to address the problems of Medicare ended—and ended completely—in 1993 when the Republicans refused to participate in what was an entirely serious effort to reduce the Federal deficit. Democrats were forced, therefore, to act alone. Because of the Democratic efforts, and without, as the Senator from Massachusetts said, a single Republican vote. This is really extraordinary when you think about it; there are usually a few people who will help on this—there was not a single one, not a single one.

The deficit has fallen now for 4 straight years as a result of that action in 1993. That had not happened since either Harry Truman was President or the Civil War. I am not sure which, and there is a big difference. But, anyway, 4 years of budget deficit reduction has not happened in a long, long time.

Bipartisanship also failed to materialize last year when the Democrats refused to engage in an exercise to carry out Speaker GINGRICH's Contract With America, that handed out tax breaks for the wealthy at the expense of the Medicare and Medicaid Programs.

Mr. President, there are billions of dollars in common Medicare savings that we could agree on tomorrow to strengthen the trust fund. But compromise is not something that many of my colleagues on the other side of the aisle, and particularly on the other side of the Capitol, have learned to do to this point.

Last year, the public overwhelmingly rejected the massive health care cuts proposed by the Republicans. Instead, though, of coming up with a new plan, or even new numbers, the Republicans have not changed much at all.

They say their plan is more moderate, but it is not. The total Medicare savings in their new plan are lower, but they are lower only because their new budget covers 6 years, not 7.

That tends to make a difference. If you look at the year-by-year Medicare cuts in this year's Republican budget, you can see that the cuts are nearly identical to—identical to or larger—than the cuts in the vetoed budget reconciliation bill from last year.

Kevin Phillips, a Republican political analyst, who Republicans do not like to hear quoted, said just a few weeks ago that the "new" Republican budget "is no more than a routine expression"—this is interesting—"a routine expression of core GOP fiscal policy: never to ask the top 1 percent of Americans to sacrifice if Medicaid, Medicare, or education funds for ordinary people can be targeted instead."

The Republican budget resolution goes way too far in trying to reduce Medicare spending. The cuts are much more than is needed to extend short-term solvency for another decade. The Republicans know that.

The Republican budget would hold Medicare to a much tougher standard on its health care costs than current projections for even private health insurance. That is an important point. Private health insurance is expected to grow by 7.1 percent on a per person basis over the next 7 years. The Republican plan caps Medicare per person spending at 4.8 percent over the next 7 years, even though Medicare generally serves an older and a sicker population. And Medicare, as a program, is even covering more people, while private health insurance is covering fewer and fewer Americans, as employers pull back from what I would consider their responsibility.

So these very tight budget caps that the Republican plan would impose on Medicare spending will seriously harm the quality of care that seniors currently receive, or will significantly increase their out-of-pocket expenses, or will do both.

Last year Dr. June O'Neill, the Republican-appointed head of the Congressional Budget Office, testified before the Senate Finance Committee that seniors would in fact have to pay more, pay more to keep the same level of quality that they have today under the Republican plan. She is their appointee. That is what she said.

I asked her how much more? She said she did not know. I sent her a letter soon after the specifics of the Republican plan were finally unveiled by the Finance Committee. That was not only signed by myself, but also by the minority leader, asking her again, how much more would seniors have to pay under the Republican proposal?

I never got a response. I am a U.S. Senator. I assume that after a while somebody in that position would eventually get a response. I did not. I still do not know exactly how much more seniors would have to pay. All I know is that they will have to pay a lot more.

Mr. President, in West Virginia, which I represent, the average senior's income is \$10,700 a year. We talk of seniors making \$25,000, \$17,000, \$18,000. In West Virginia the average is \$10,700 a year. They are already spending 21 percent of their income on health care. They do not have a margin. They do not have room for more.

People always assume that somehow the Democrats are just being silly and soft because they assume that seniors can pay more. Some seniors should pay more, and high-income seniors probably should. That should be worked out as a package, dealing with the whole Medicare Program, in exactly the kind of Medicare commission that Senator DOLE proposes and which I support.

Mr. President, for my constituents in West Virginia, "more" is a very scary word. Last year I talked about Geno Maynard, Sue Lemaster, and John and Betty Shumate.

Geno Maynard is 78 years old and lives in Kenova, WV; Sue Lemaster, is a 83 year old who lives in Follansbee; and John and Betty Shumate are Medicare beneficiaries who live in Beckley. They're 4 of the 330,000 West Virginians who depend on the Medicare Program for health care, and they all told me that they were worried. They quite flatly told me, they do not have any more money to spend on health care. It's a big worry for millions of other seniors all over America. On average, seniors already spend 21 percent of their incomes on health care expenses.

Mr. President, it is a year later and I still cannot tell my constituents how much more they would have to pay under the Republican plan. I can only say that according to reliable health experts and the Republican-appointed head of the Congressional Budget Office, they are going to have to pay more for their health care.

Mr. President, in addition to tight budget caps, the Republican plan also assumes enactment of some very dangerous programmatic changes. For ex-

ample, Mr. President, the Republican plan assumes elimination of current law balance billing protections for senior citizens. Medicare currently prohibits health care providers from price gouging. Health care providers are banned from charging Medicare patients more than 15 percent above what Medicare pays them. This is an incredibly important financial protection that we enacted in 1989—on a bipartisan basis—as a part of physician payment reform. Prior to enactment of balance billing protections, seniors spent over \$2 billion a year on out-of-pocket balance billing charges.

Last year, I offered an amendment during the Finance Committee's markup of the Republican Medicare bill that would make sure beneficiaries would continue to have the same financial protections that they have under current Medicare law. My amendment was defeated on a strict party line vote. This is just one more example of how the Republican plan will insidiously destroy the Medicare Program.

Mr. President, there are plenty of other examples. To name just one more: A Medicare medical savings account proposal that actually costs the Medicare Program \$4 billion a year; and will further weaken the Medicare trust fund. The New York Times reported that according to "many experts" MSA's would lead to the "balkanization of healthy and sick."

Let us not forget that the Medicare Program is an incredible success when it comes to access. Seniors are the only group of Americans who enjoy universal coverage. If Medicare is cut by unprecedented amounts of money to pay for anything but Medicare, the consequences will be disastrous for health care providers and beneficiaries.

Mr. President, the bigger problem that we all continue to skirt around is the long-term solvency of the Medicare trust fund. When the baby boomers begin to retire in 2011, the Medicare Program will be severely, severely strained. I proposed a Greenspan-like commission last year to try to take this debate out of the political arena. The American Hospital Association also thinks a commission is necessary to force action to improve the short-term and long-term solvency of the trust fund.

Hospitals have plenty of reason to worry. Not only are their bills paid from the part A trust fund, but the American Hospital Association estimates that the new Republican budget cuts hospital payments 20 percent more than last year's Republican budget. As a result of these larger hits to hospitals, "hospitals are likely to experience actual reductions in payment rates," not just reductions in the rate of Medicare revenue growth.

The Prospective Payment Review Commission [ProPAC]—a nonpartisan commission that advises Congress on hospital payment issues—has issued a stern warning about the severe negative effect massive Medicare reductions

will have on hospitals. In my own State, over 50 percent of all our senior citizens live in rural areas. How far are they going to have to travel to get basic hospital care if their local, rural hospital is forced to shut its doors?

Mr. President, the solvency of the Medicare trust fund is too important of an issue to be left to politics-as-usual. Thirty-seven million Americans rely on the Medicare Program to pay for their health care services. The Republicans' suggestion that the Democrats are uninterested in doing what is necessary to put Medicare on sound financial footing is preposterous. It was Republicans in Congress who voted against Medicare's creation in 1965—and it is now Republicans in this Congress who pose a real threat to Medicare's future. They will keep on saying they are saving Medicare, but raiding Medicare is no way to rescue it.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. SPECTER. Mr. President, I have sought recognition to comment briefly on the vote earlier today rejecting the constitutional amendment for a balanced budget. I supported that amendment, as I have on a number of occasions during my tenure in the U.S. Senate. I was disappointed to find the amendment failed today in light of the repetitive speeches on the floor of the U.S. Senate about the importance of balancing the budget.

It is true that, if discipline could be imposed in the Congress of the United States, a balanced budget amendment would not be necessary. But the historical fact is unmistakable that the kind of discipline necessary is simply not present, given the nature of our system where there are so many demands for programs to spend and where there is such an aversion, understandably, to increases in taxation. So if there is to be a balanced budget, it is mandatory that it be a requirement of law which would rise to constitutional proportion.

Every other unit of government has the requirement for a balanced budget. My State, the Commonwealth of Pennsylvania, has such a requirement. Cities have such a requirement. Townships have such a requirement. Counties have such a requirement. On an individual basis, all of us must live within our means or we wind up in the bankruptcy court.

The issue of a balanced budget came into sharper focus for me 2 years and 4 months ago when my wife Joan and I had our first grandchild. It would be absolutely unthinkable, as individuals, for us to purchase on a credit card for young Sylvie Specter or her sister