

He has held more Senate party leadership offices than any other Member of either party. He has cast more roll-call votes than any Member in history—A record that he continues to break every day the Senate is in session. He has not missed a vote in 12 years, giving him a Senate career voting average of 99 percent.

Finally, ROBERT BYRD is 1 of only 3 Senators in history—that is 3 of 1,827—to have been elected to 7 full 6-year terms.

Not only has he broken all the records, he has also established an example for the rest of us and for the Nation of the best in Senatorial conduct.

ROBERT BYRD's service to the Senate has been characterized by hard work, attention to detail, boundless energy, and intense loyalty.

Mr. President, on October 21, 1988, I dedicated my final bicentennial minute to Senator BYRD and his remarkable contributions as a Senate leader.

And now, on June 10, 1996, my next to last day here in the Senate, I want to repeat the words I said 8 years ago:

The final chapter in ROBERT BYRD's history is not likely to be written for some time, yet it is safe to say that he has set a standard as a Senator, as a legislative leader, and as a statesman that will stand among the best as long as there is a Senate.

TRIBUTE TO TOM DASCHLE

Mr. DOLE. Mr. President, during my more than 11 years as Republican leader, it has been my privilege to serve across the aisle from three Democrat leaders.

Senator BYRD sat in the leader's chair for 4 of those years, Senator George Mitchell for 6, and Senator TOM DASCHLE for the past year and a half.

When Senator DASCHLE became leader in January 1995, I said then that I had learned that the only way the Senate can run effectively is for the two leaders to have a relationship based on absolute trust.

While Senator DASCHLE and I have disagreed on the vast majority of issues before the Senate, and while he used the Senate rules to the minority's full advantage—just as I did when I was in his position, our relationship has been one of trust and mutual respect.

In fact, Senator DASCHLE has seemed to enjoy the job of minority leader so much, that I have told him one of my wishes on departing the Senate is that he will continue to serve as minority leader for many years to come.

I have also told Senator DASCHLE that serving as a Senate leader when your party holds the White House is oftentimes more frustrating than serving as leader when the opposition party holds the White House. And it is my hope that he will experience those lower frustrations next January.

But I want to thank Senator DASCHLE. We both come from the same part of the country, South Dakota and Kansas, where the weather can do us in, or do the farmers in, which does ev-

erybody else in. We both understand the importance of agriculture, but we also understand the importance of other issues that affect our colleagues, whether it is health care or whether it is the WIC Program or food stamps or other things that I worked on a long time ago with another Senator from South Dakota named George McGovern.

So I just congratulate Senator DASCHLE for his great success as the Democrat leader. I thank him for the courtesies he and Linda have extended to me and Elizabeth over the past year and a half. And I wish him the best of luck—not everything he would wish, but the best of luck, particularly when it comes to his own personal work in the Senate and his own personal life.

He does a good job. He works hard. We do not surprise each other. We trust each other; no games. And that is what makes the Senate work.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business with statements permitted not to exceed 5 minutes in length, with Senator HOLLINGS to control 30 minutes and Senator DOMENICI or his designee to control from 1 to 3:30 p.m., the Democratic leader is designated to control from 3:30 to 4:30, and Senator COVERDELL or his designee to control from 4:30 to 5:30.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that we slightly amend the unanimous consent agreement. The distinguished Senator from Massachusetts wants 6 minutes. I ask unanimous consent to yield him the 6 minutes now and that I be granted my full half-hour, until just past 1 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from South Carolina for his courtesy.

MEDICAL SAVINGS ACCOUNTS AND THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, the insistence of the House Republican leadership on forcing medical savings accounts into the Kassebaum-Kennedy bill has become the Trojan Horse that could destroy health insurance reform.

This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

The Democrats and the White House have offered a fair compromise, which would provide for a controlled demonstration of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said yesterday, "I

will not give up medical savings accounts," and he dared the President to veto the bill.

Senator DOLE is the only one who can break this impasse and persuade House Republicans to abandon their intransigence and pass a bipartisan bill that the President can sign. Senator DOLE clearly understands how important this program is to the American people. When the bill was passed, Senator DOLE said:

Common sense has finally prevailed. Passage of this bill will not only improve our health care system, it could very well restore the faith of the American public that the work of Congress is not just a series of political stalemates. Even in an election year, we can work on a bipartisan basis to pass legislation that will improve the lives of so many Americans.

Senator DOLE deserves considerable credit for this bill. All of its reforms were also included, in one form or another, in the health insurance bill he introduced in the last Congress. It also includes constructive proposals that he offered for aid to small business, and to help families meet the high cost of long-term care, and to crack down on fraud and abuse in Medicare and Medicaid.

Last week, Senator DOLE said, "I'm afraid if I leave and it's not done, it might not happen." He is right. No one else has the ability to persuade House Republicans to back off their extreme position. If Senator DOLE means what he says, he should postpone his departure from the Senate for a few days and pass this bill. He can do a great deal of good for the American people by staying for a few days and finishing this legislation.

Medical savings accounts are a highly controversial issue that does not belong on this bill except on the basis of a carefully controlled test. MSA's have the potential to severely undermine the current health insurance system that millions of Americans rely on—particularly those with serious illnesses or disabilities.

MSA's are likely to raise health insurance premiums through the roof and make insurance unaffordable for large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the wealthy and healthy at the expense of working families and the sick. Their cost could balloon the deficit.

The Kassebaum-Kennedy bill contains consensus reforms that virtually everyone agrees on. It guarantees that no American will be denied health insurance or be saddled with exclusions for preexisting conditions because they change their job or lose their job, or because their employer changes insurance companies. It provides help to small businesses that want to join together to negotiate lower insurance premiums of the kind that only large corporations can obtain today.

The bill is truly bipartisan. It passed the Labor and Human Resources Committee 16 to 0. without medical savings

accounts. It passed the Senate 100 to 0, without medical savings accounts. It will pass the House of Representatives by a wide margin, if the House Republican leadership will permit it to be offered. But, so far, they continue to insist that if medical savings accounts for the special interests are not added to the legislation, there will be no insurance reform for the American people.

Medical savings accounts sound good in theory. Why not encourage businesses and individuals to buy less costly high deductible health insurance policies and put the premium savings into a tax-free account that can be used to pay routine medical costs? But in this case, what sounds like good medicine in theory is quack medicine in practice.

Medical savings accounts are an idea whose time should never come. Under estimates by the Joint Tax Committee, they are a \$3 billion tax break for the wealthy and healthy.

As the Center on Budget and Policy Priorities said, "MSA's create new tax shelter opportunities. Use of an MSA would be highly advantageous to substantial numbers of higher income taxpayers. Low- and moderate-income taxpayers would receive little or no tax benefits from using MSAs, because they either do not pay income taxes or pay taxes at much lower rates." The American Academy of Actuaries concluded that medical savings accounts are "Taking money from the unhealthy and giving it to the healthy." The Joint Tax Committee estimated that only 1 percent of the tax benefits would go to people with incomes of less than \$30,000.

If more people enroll in these accounts than the estimates predict, the cost could rise to tens of billions of dollars. The Joint Tax Committee estimated that only about 1 million policies would be sold. But other analysts have estimated that enrollment could be many times higher. Those who are loudest in their clamor to reduce the deficit are willing to waste vast sums on this destructive, special interest boondoggle. If we have billions of dollars to spend on health care, we should spend them on reducing the cost of coverage for hard-working American families or on deficit reduction—not on a perverse scheme to transfer benefits from the poor and the sick to the healthy and the rich.

The most troubling aspect of medical savings accounts is the risk that they will destroy the health insurance pool, and price conventional insurance out of the reach of most American families. Medical savings accounts raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise for everyone else, more and more working families will be forced to drop coverage. In the words of the Congressional Budget Office, medical savings accounts

"could threaten the existence of standard health insurance." Mary Nell Lenhardt, senior vice president of Blue Cross and Blue Shield concluded that MSA's destroy "the whole principle of insurance."

The Urban Institute found that, even under conservative assumptions about how many people would use medical savings accounts, the premiums for comprehensive policies could increase by 62 percent. If employers chose to contribute only the cost of the MSA, the worker's share of the premium for a comprehensive policy would rise by 300 percent.

American families who choose medical savings accounts could be exposed to financial crisis if someone in the family becomes seriously ill. As the American Academy of Actuaries said, "individuals and families who experience significant medical expenses soon after the establishment of MSA programs will face high out-of-pocket costs. These high out-of-pocket costs will not be randomly distributed. They will be concentrated among older workers and their families and among those with disabilities and chronic illness." The last thing that the American people need—especially those who need health care the most—is another massive increase in the cost of medical care.

Because they encourage high deductible plans, medical savings accounts discourage preventive care. According to the Congressional Research Service, the high deductible plans that come with MSA's mean that poor children are 40 percent less likely to get the care they need, compared to fully insured children. Abandoning preventative care is the wrong direction for health policy.

Medical savings accounts are also a giveaway to the insurance companies who have the worst record of profiting from the abuses of the current system. It is no accident that a company like the Golden Rule Insurance Co. favors medical savings accounts. This company is ranked near the bottom by Consumer Reports because of its inadequate coverage, frequent rate increases, and readiness to cancel policies.

When the Golden Rule Insurance Co. withdrew from Vermont because it was unwilling to compete on the level playing field created by the State's insurance reform, Blue Cross and Blue Shield took over the policies. They found that one in four policies included controversial extensions. Sometimes, arms, backs, breasts, and even skin were written out of coverage. Newborns were excluded unless they were born healthy.

The Republican medical savings account plan includes no provisions to prevent abuses like these. Although MSA's are billed as providing catastrophic protection, there are no prohibitions on unreasonable life-time limits, or excessive copayments when the deductible level is reached. The \$3,000

per family deductible level in the bill is a minimum—not a maximum. Companies can establish a much higher level—a \$5,000 or \$10,000 deductible for example.

The Golden Rule Insurance Co. has refused to share any data about its plans with the American Academy of Actuaries or other impartial analysts. Golden Rule knows that medical savings accounts can't stand the light of day.

Further, Republicans are also anxious to include MSA's in the insurance reform bill, because MSA's are part of their longrun plan to dismantle Medicare and turn it over to private insurance companies. Tactics like that have no place in a consensus insurance reform bill.

Proponents of MSA's make a number of claims about the merits of medical savings accounts—but these claims can't stand the truth-in-advertising test. One major false claim is the allegation that the savings on the premium of a high deductible policy will pay for a medical savings account covering the entire deductible.

The Urban Institute concluded that for an individual policy with a deductible of \$2,000, the savings to the employer that would be a meager \$251—leaving you exposed to \$1,749 in medical costs if you became seriously ill.

The American Academy of Actuaries compared a family comprehensive plan to an MSA with a deductible of \$3,000 and found that the family would be exposed to \$1,800 in costs before reaching the deductible limit.

Nothing in the Republican plan requires the employer to give all of the savings to the employee. Nothing requires the deductible to cap your liability. The insurance company could continue to charge a 20-percent or even a 50-percent copayment. In fact, they would not be required to have any limit at all on your out-of-pocket payment.

Another claim of the proponents of medical savings accounts is that they would reduce costs because people would shop around for the best care, and wouldn't go to the doctor for trivial illnesses. Every family knows that when someone is sick, the last thing on their minds is going from doctor to doctor to see who will charge the least. No family wants to be in the position of trying to decide whether chest pains or any other symptoms are something that will pass, or something that needs medical care immediately.

Proponents of MSA's try to justify this claim by relying on the Rand health insurance experiment of the 1970's. Joe White of the Brookings Institution points out that, in fact, high deductibles had the effect of reducing necessary care just as much as unnecessary care. People who are sick are not responsible for the high cost of care—health care. Providers are.

Those who support medical savings accounts also say they increase portability by giving you money to spend on health care while you are between

jobs. That assumes there will be something in your savings account when you leave your job—and that won't be true for anyone with significant health problems. With hospital costs running \$1,000 a day or more, no one can afford the cost of care without insurance. The Kassebaum-Kennedy bill is designed to guarantee access to coverage to people who leave their jobs—but it won't become law if medical savings accounts are attached to it.

Advocates also say that MSA's increase choice, but the American people know better. The choice to pay thousands of dollars for health care you need but cannot afford because of a high deductible is no choice at all.

In addition, Republican proponents of medical savings accounts note that some Democrats have changed their position since the last Congress. The fact is that MSA's have received much more analysis in recent years, and the pitfalls are better understood. I voted against them both times they were offered in the Labor and Human Resources Committee. In the past, President Clinton said that they are something we might explore and experiment with but he has never supported their widespread adoption. Democrats who supported them in the context of comprehensive health reform understood that they would be an add-on to comprehensive coverage with effective cost-control, not a substitute. In fact, the sense of the Senate resolution approved by the Labor and Human Resources Committee on the Health Security Act in 1994 specifically said that they were to be used "in conjunction with the comprehensive benefit package" established by the bill.

Few respectable health policy analysts support medical savings accounts under today's conditions. Editorials in the Washington Post, the New York Times, the Los Angeles Times, and the Boston Globe have condemned them.

Most important, the people who need good coverage are strongly opposed to this program. The major organizations representing consumers, the elderly, the disabled, and working families have vehemently condemned them. Who is best capable of speaking for the interests of American families and who need health care—these organizations, or the Golden Rule Insurance Company?

Most Republican leaders know that Americans want the consensus reforms in this bill and have little interest in medical savings accounts. That is why Representative KASICH said, on March 24, "We will not let medical savings accounts destroy the ability to give people portability and eliminate pre-existing conditions." He made a similar statement yesterday.

On March 29, Speaker GINGRICH said he would not let medical savings accounts stand in the way of a Presidential signature.

But actions speak louder than their words. The House Republican leadership has been unwilling to accept the

fair compromise that the President and Democrats have offered on medical savings accounts. And now Republican House Majority Leader ARMEY has made it clear that the Republican strategy is to force the President to veto the legislation, and then try to blame him for the failure to enact the consensus reforms the American people need and deserve.

Whether the issue is tax fairness, preservation of comprehensive health insurance for the vast majority of Americans, or the special interests versus the public interest, medical savings accounts are bad medicine for our health care system. They are a poison pill that will kill health insurance reform. The President has offered a reasonable compromise—but he cannot fulfill his obligation to protect the health and welfare of the American people by swallowing this Republican poison pill.

Senator DOLE understands the importance of insurance reform. Two years ago, on August 17, 1994, he stated on the floor of the Senate, "We will be back. . . . And you can bet that health care will be near the top of our agenda. . . . We ought to take all the common parts of these plans, put them together and pass that bill." A week later, he identified the components of reform that he thought were most important. He said, "My second suggestion is one that I have made for almost a year and a half. That we pass into law provisions to help those Americans who cannot afford insurance, who cannot get insurance because of pre-existing conditions, or who cannot keep insurance due to a job change."

Medical savings accounts were not on Senator DOLE's list then, and they should not be on his list now.

Senator DOLE is planning to leave the Senate tomorrow. But he can do the American people an immense service if he will put off his departure for a few days and help pass this bill. He knows how important this bill is. He knows that his participation is essential if House Republicans are to be persuaded to accept a reasonable compromise. I hope he will act now to end this shameful gridlock and give the American people the health reforms they deserve.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Chair.

BALANCED BUDGET

Mr. HOLLINGS. Mr. President, let me revise my original topic. Because the distinguished majority leader is leaving, I want to talk in that context.

When Senator DOLE first came to the U.S. Senate, I had recommended Clement Haynesworth for the U.S. Supreme Court. My distinguished senior colleague had recommended another individual for that post, and I was looking to the Republican side for leadership in

support of the Haynesworth nomination. The then distinguished junior Senator from Kansas, who had recently arrived in the Senate, was very, very helpful to this Senator from South Carolina.

Let me get right to the point, Mr. President. I have the greatest respect for Senator DOLE. The fact is that when we had the recent Republican primary in my State of South Carolina, I was asked to give my thoughts regarding who I thought was the best candidate in the Republican field. I categorically replied that of those vying for the Republican nomination, the distinguished Senator from Kansas, Senator DOLE, could handle the job, and there is no doubt in my mind that he could.

I think his difficulties arise from the crowd he has to carry with him, which gets right to the point of this so-called balanced budget amendment to the Constitution.

On last week, the distinguished majority leader said:

We tried to reach out to those Senators to ensure Social Security surpluses can never again be used to mask deficit spending. I believe that after a suitable phase-in, the Federal budget could be balanced without counting the surpluses in the Social Security trust funds.

Mr. President, that is a remarkable statement, in light of the history of Social Security and the Social Security trust fund.

Specifically, in 1983, the distinguished majority leader served on the Greenspan Commission which was charged with rescuing Social Security. The Greenspan Commission recommended that after a certain period of time—which later that year was agreed to be 1992—Social Security should be off budget. We now talk in the context of Presidential campaigns and children and grandchildren. But the same was true some 13 years ago, when the majority leader, himself a member of the Greenspan Commission, issued its report and said, "Let's put Social Security off budget."

Thereafter in 1990, I offered a resolution before the Senate Budget Committee that removed Social Security outlays and receipts from deficit calculations. By a vote of 20 to 1, the Budget Committee adopted my amendment.

When it reached the floor, I teamed up with the former distinguished Senator from Pennsylvania, Senator John Heinz, and on October 18, 1990, saw the full Senate adopt our amendment by a vote of 98 to 2. We said, Social Security should not be used to obscure the size of the deficit, that it should be off budget and that it should never be included in any reporting of the deficit whether by the President or by Congress.

The distinguished Senator from Kansas voted for that amendment. And on November 5, 1990, President George Herbert Walker Bush signed it into law. Today it stands as section 13301 of the Congressional Budget Act. So much