

Mr. BENNETT. Mr. President, I am tempted to go on with this debate, but I think it has probably been exhausted sufficiently on both sides. I will use the time granted to me under the UC agreement to discuss another issue.

#### NOMINATION OF ALICE RIVLIN

Mr. President, when Alice Rivlin came by my office for a courtesy call prior to her confirmation hearing in the Banking Committee, I told her I would support her confirmation. When she appeared before the Banking Committee, I voted in favor of her confirmation.

I am in the habit of keeping my commitments. It is with great personal sadness, then, that I take the floor to announce that I will, in the coming vote, cast a vote against Alice Rivlin's confirmation. I want to take this time to explain why I have changed positions.

It is, in no way, an attack on Alice Rivlin personally, and, frankly, it is not even an attack on the response that she gave to Senator BOND in his role as subcommittee chairman on the Appropriations Committee. I know he was outraged by the response he received. I have served in the executive branch, and I know that Alice Rivlin was not a free agent in terms of the kind of response she gave. She was under orders from the White House, and she had no choice but to follow those orders or resign. She chose to follow the orders.

She sent a letter that was completely unacceptable to Chairman BOND and, frankly, completely unacceptable to me. I am a member of Senator BOND's subcommittee, and I was there when he asked the questions of the Administrator of the Veterans Administration: "How are you going to administer your program when, according to the President's budget, in the outyears there is not going to be any money?" He received the answer: "I have been assured by the White House that the money will be there, the budget to the contrary notwithstanding." Senator BOND repeated the same question to the Administrator of NASA: "How are you going to manage the program when you get to the outyears and there is not any money?" He got the same answer: "I have been assured by the White House that the money will be there." Senator BOND asked the question of the Administrator of the EPA: "How are you going to fund your program when you get to the outyears and there is no money?" She said: "I have been assured by the White House that the money will be there."

It is very clear that this White House is playing the oldest of Washington's shell game, which is to give you a long-term balanced budget statement and load all of the savings in the years that will come to pass after you are safely out of office, with the full knowledge that Congress will never, ever act in the way that you are projecting they

will act. But you can get safely re-elected and point back and say, "Congress did not do what we told them."

But it is even more blatant to put that kind of a budget before the Congress and then, at the same time, explicitly tell the managers of the programs: "Manage your programs as if those cuts will never happen, because we know they will never happen."

That is outrageous, Mr. President. It deserves some kind of public protest. It is sufficiently outrageous that I will register that protest in a way I have never registered a protest before. I will publicly break my word, publicly go back on a commitment. I committed to Alice Rivlin that I would vote for her when she called on me. I voted for her within the committee. It pains me deeply to now break that commitment and say that I intend to vote against her, and I will vote against her with the firm understanding that this has little to do with Alice Rivlin and a great deal to do with the Clinton White House. It has little to do with what she did when she was following orders to extend that kind of a response to Chairman BOND, and it has everything to do with the administration that gave her those orders and said: Pretend, dissemble, camouflage, confuse, but do not tell the Congress that which is blatantly obvious to everybody else, which is that this administration does not intend to keep its word on the President's budget.

So, Mr. President, perhaps it is a bit of rationalization on my part, but if the President will not keep his word on his budget and has sent the word directly to his administrators that they shall not keep their word, I think I am justified in breaking my word to Mrs. Rivlin and casting this protest vote, which I will do this afternoon.

I yield the remainder of my time.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, it is my understanding that we will be going back to the Defense authorization bill.

The PRESIDING OFFICER. The Senator is correct.

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the Defense authorization bill. The clerk will report S. 1745.

The bill clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Services, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kyl-Reid amendment No. 4049, to authorize underground nuclear testing under limited conditions.

The PRESIDING OFFICER. The pending amendment is the Kyl amendment.

Mr. GRAMM. Mr. President, I ask unanimous consent to temporarily set aside the Kyl amendment.

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

#### AMENDMENT NO. 4083

(Purpose: To require plans for demonstration programs to determine the advisability of permitting medicare-eligible military retirees to enroll in the Tricare program and the Department of Defense to be reimbursed from the medicare program for the costs of care provided to retirees who enroll)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. ROTH, Mr. INOUE, Mr. LOTT, Mr. CRAIG, Mrs. HUTCHISON, Mr. THURMOND, Mr. REID, Mr. INHOFE, Mr. ROBB, Mr. MCCONNELL, and Mr. WARNER, proposes an amendment numbered 4083.

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

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

The amendment is as follows:

At the end of title VII, add the following:

#### SEC. 708. PLANS FOR MEDICARE SUBVENTION DEMONSTRATION PROGRAMS.

(a) PROGRAM FOR ENROLLMENT IN TRICARE MANAGED CARE OPTION.—(1) Not later than September 6, 1996, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report that sets forth a specific plan and the Secretaries' recommendations regarding the establishment of a demonstration program under which—

(A) military retirees who are eligible for medicare are permitted to enroll in the managed care option of the Tricare program; and

(B) the Secretary of Health and Human Services reimburses the Secretary of Defense from the medicare program on a capitated basis for the costs of providing health care services to military retirees who enroll.

(2) The report shall include the following:

(A) The number of military retirees projected to participate in the demonstration program and the minimum number of such participants necessary to conduct the demonstration program effectively.

(B) A plan for notifying military retirees of their eligibility for enrollment in the demonstration program and for any other matters connected with enrollment.

(C) A recommendation for the duration of the demonstration program.

(D) A recommendation for the geographic regions in which the demonstration program should be conducted.

(E) The appropriate level of capitated reimbursement, and a schedule for such reimbursement, from the medicare program to the Department of Defense for health care services provided enrollees in the demonstration program.

(F) An estimate of the amounts to be allocated by the Department for the provision of

health care services to military retirees eligible for Medicare in the regions in which the demonstration program is proposed to be conducted in the absence of the program and an assessment of revisions to such allocation that would result from the conduct of the program.

(G) An estimate of the cost to the Department and to the Medicare program of providing health care services to Medicare eligible military retirees who enroll in the demonstration program.

(H) An assessment of the likelihood of cost shifting among the Department and the Medicare program under the demonstration program.

(I) A proposal for mechanisms for reconciling and reimbursing any improper payments among the Department and the Medicare program under the demonstration program.

(J) A methodology for evaluating the demonstration program, including cost analyses.

(K) An assessment of the extent to which the Tricare program is prepared to meet requirements of the Medicare program for purposes of the demonstration program and the provisions of law or regulation that would have to be waived in order to facilitate the carrying out of the demonstration program.

(L) An assessment of the impact of the demonstration program on military readiness.

(M) Contingency plans for the provision of health care services under the demonstration program in the event of the mobilization of health care personnel.

(N) A recommendation of the reports that the Department and the Department of Health and the Department of Health and Human Services should submit to Congress describing the conduct of the demonstration program.

(b) **FEASIBILITY STUDY FOR PROGRAM FOR ENROLLMENT IN TRICARE FEE-FOR-SERVICE OPTION.**—Not later than January 3, 1997, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report on the feasibility and advisability of expanding the demonstration program referred to in subsection (a) so as to provide the Department with reimbursement from the Medicare program on a fee-for-service basis for health care services provided Medicare-eligible military retirees who enrolled in the demonstration program. The report shall include a proposal for the expansion of the program if the expansion is determined to be advisable.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Of the amounts authorized to be appropriated in section 301, \$75,000,000 shall be made available to carry out the demonstration program referred to in subsection (a) if Congress authorizes the program by the end of the Second Session of the 104th Congress.

Mr. GRAMM. Mr. President, let me define what I am trying to do here in basic terms and then outline very briefly the amendment and how it will work. I want to be brief because when you are winning, it is best to accept the victory and not do a lot of talking about it. But let me define the problem.

Twenty and 30 years ago, young Americans took up the country's call by joining the military. What they were promised when they joined the military is that, if they served out to retirement—20 or 30 years—among the benefits they would have is the ability to go into military medicine in retirement and, on a space-available basis,

continue the same military medicine that they were accustomed to while they wore the uniform of the country. All over America hundreds of thousands of retirees are in a position today where that commitment was made 20 or 30 years ago. Interestingly enough, it is fulfilled from the moment they retire until they turn 65. But the moment they turn 65, they are now being excluded from the military medical system that they were promised they would have available to them.

The incredible paradox is that they are among the few Americans who have earned not one system of medical care in their retirement but two. They earned access to medical care by serving 20 or 30 years in the uniform of the country. In the middle of their career, Congress decided to have them pay the Medicare payroll tax and qualify for Medicare. So our military retirees now find themselves in a very select group of people where they have earned not one medical benefit but two.

What is now being done is they are being forced to opt to go on Medicare when many of them have grown accustomed to the military medical system and want to stay in it. We have also created two classes of retirees—those below 65 who qualify for military medicine and those 65 and above who lose it. At the very moment when people are turning 65, feeling more vulnerable about their health care, they are being uprooted from a system that they have grown accustomed to.

In addition to that, there is the fundamental fairness issue, it seems to me. Our military retirees serve 20 or 30 years to earn their benefit. We promised it to them, and now we are not living up to our word.

I submit that, if we want others to take up the cause of the country and to wear its uniform, it is very important that we live up to the commitments that we have made to those who have served in the past.

The right thing to do is to give people a choice; to say to every military retiree that when you turn 65 you can opt for the Medicare which you paid for and have Medicare reimburse your medical care through the private medical system of the country, or on a space-available basis, you can continue to use military medicine as you did before you turned 65. Then an agreement should be worked out between Medicare and the Defense Department as to who is going to pay for this medicine. My view is we should have subvention, and Medicare should reimburse our military hospitals. That is what I want. That is what is fair. That is what we promised people. We are living up to our word when we do that.

I have tried for the last 6 months to work out a bill to try to set up an experiment to prove that it does not cost more to give people the right to stay in military medicine, to have a test in three regions of the country—the south-central United States, Pacific Northwest, and Alaska—where we

could take States that are quite different and see whether it costs more to have people stay in military medicine, if they choose to, or to simply go into Medicare and be reimbursed.

I thought we might be able to work that out. But with the session getting short, we have worked out a compromise that I believe is generally supported and is going to be accepted, I believe, on both sides. Our compromise will require the administration to submit, by September 6 of this year, a detailed subvention demonstration implementation plan. This will give the administration 2 months to make up their mind how they want to do it and still gives Congress time to act before we adjourn to set up the program this year. We also authorize \$75 million of funding, based on Congressional Budget Office scoring, that would be available if in fact the program does cost more than conventional Medicare, which I doubt. This will allow us to move ahead but, on the other hand, not impose on Health and Human Services and the Defense Department a program that they are not fully comfortable with.

My objective here is not to impose a plan that I have written. My objective is to simply provide equity. It seems to me that equity is giving people the right to choose. My goal is that through this amendment, which hopefully we will adopt today, we will plant the seed whereby on September 6 the administration will give us a concrete program that we can adopt to begin the process of living up to the commitments we made to our military retirees. In addition, we also mandate that by January 3 the administration present a feasibility study to allow military retirees to consume medicine in our military hospitals on a fee-for-service basis.

With the combination of these two requirements I think we are making a major step toward living up to the commitments we gave to our military retirees.

I am hopeful that we will be successful with this amendment. I think it is a very important amendment. My view is, when you tell people you are going to do something, you have an obligation to try to live up to it. We can do that with this amendment and with a follow up that will be required from it.

I am delighted to know that the amendment is going to be accepted.

I thank the distinguished chairman of the committee.

I yield the floor.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Texas for offering this amendment. I think he is doing a great service to the people, in the military establishment especially.

Mr. President, I rise in support of this amendment. Legislation which would enable Medicare eligible military retirees to enroll in the military health care system is the issue about which I receive the most mail from South Carolina.

Military retirees and their families become very comfortable with the military health care system during their many years of service. In many cases, these veterans first experience with health care as adults came at the hands of an Army, Navy, or Air Force physician. Their children were born in military hospitals, untold numbers of colds, bouts of flu, broken bones, and other medical maladies have been treated within the military health care system.

Once these retired personnel reach age 65 and become eligible for Medicare, their status in the military system changes dramatically. Suddenly, through no fault of their own, they are no longer welcome except on a space-available basis. When these veterans of 20 or more years of dedicated, selfless service to the Nation discover that they are not welcome in the military health care system, it is a terrible shock. When servicemembers are recruited, they are told that one of the benefits of their service is health care for life. Throughout their career, when they reenlist, this benefit is reinforced by the career counselors. Whether or not these statements are true or even authorized by the military departments, they are made. Clearly, military personnel believe that health care for life is a benefit of their service.

As Members of Congress, we are accustomed to reading the details of the statutes. We know that there is no statutory basis for a promise of health care for life if someone serves a full career in the military. We also know that when every American reaches age 65, Medicare becomes the primary health care provider. All of these laws notwithstanding, recruiters, career counselors, commanders, first sergeants, and the military support associations continue to lead servicemembers to believe that they can receive medical care within the military system forever. We have a commitment to live up to the promises made by representatives of the Nation. This amendment goes a long way toward accomplishing that goal.

Mr. President, I want to acknowledge the leadership, vision, and energy that Senator Dole brought to the issue of Medicare subvention. Senator Dole clearly took the lead within the Senate to make Medicare subvention a reality. If he were here today, this would be his amendment. He would be the champion leading the effort not only in the Senate but in discussions with our colleagues in the House of Representatives. I wish he could be here to share his passion for our veterans and to see the amendment move forward. I am sure he is following the issue where ever he is. I am proud to have worked with him to achieve the progress we have. I promise him and our veterans to continue the effort to get Medicare subvention fully implemented.

Mr. President, let me be clear. This amendment is not the end game. I had hoped that we could pass legislation

which would have directed implementation of a Medicare subvention demonstration within 90 days of enactment. Unfortunately, the details could not be worked out to the satisfaction of all parties who must agree. We will get there and this amendment moves the effort forward. I congratulate Senator GRAMM again for his persistence in pushing his amendment. I thank Senator ROTH, chairman of the Finance Committee, for his cooperation and commitment to work with us to achieve Medicare subvention. I am confident that, together, we will pass Medicare subvention that will permit the Secretary of Defense and the Secretary of Health and Human Services to fully implement this important program. Only then will we have fulfilled our commitment to our retired military personnel and their families. I urge my colleagues to support this important amendment.

Mr. President, I thank the Chair and yield the floor.

Mr. COATS. Mr. President, I rise in support of this amendment which addresses Medicare subvention, a key issue to the military health care program and Medicare-eligible military retirees and their families.

To understand why Medicare subvention is so vital to the military health care system, it is necessary to understand how Medicare-eligible retirees are treated under the current system. Under Medicare everyone over the age of 65 receives medical coverage through Medicare. Therefore, when military retirees reach the age of 65 they lose their eligibility for CHAMPUS and may only use military medical facilities on a limited space-available basis. This care is delivered on a nonreimbursable basis, which means that Medicare does not pay for the health care which the Department of Defense provides to Medicare-eligible beneficiaries. The Department of Defense estimates that this cost exceeds \$1 billion annually.

As defense downsizing progresses, and TRICARE, the managed care support initiative of the military health system moves toward full implementation, there will be less and less space available in military treatment facilities to provide care to retirees. This means that Medicare-eligibles will be forced out of a system which they understand and have come to rely on.

Medicare subvention would ensure Medicare-eligible military retirees health care by allowing them to enroll in TRICARE. Our military retirees have made great sacrifices for the defense of this Nation and have dedicated many years to military service. Medicare subvention would prevent military retirees and their families from being locked out of a system which they trust, which they understand, and which has been promised to them.

The amendment before us today does not provide authorization for Medicare subvention. It does, however display a commitment to this important initia-

tive. While I am encouraged by the progress that has been made in this area, I also believe that it is necessary to incorporate Medicare subvention into an overall Medicare reform package.

I urge your support of this support amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. 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. THURMOND. Mr. President, we have cleared the Gramm amendment now on both sides, and we are ready to vote on it. I call for a vote.

The PRESIDING OFFICER. Is there further debate on the Gramm amendment No. 4083?

Mr. THURMOND. I suggest we have a voice vote.

The PRESIDING OFFICER. If not there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 4083) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that a staff member of Senator Kyl, Kim Wold, be granted the privilege of the floor this afternoon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### EXECUTIVE SESSION

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will now return to executive session to consider executive calendar No. 517, which the clerk will report.

The legislative clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System?

Mr. THURMOND. Mr. President, I ask for the yeas and nays on the nomination.