

The concurrent resolution (S. Con. Res. 68) was agreed to as follows:

S. CON. RES. 68

*Resolved by the Senate (the House of Representatives concurring), that in the enrollment of the bill (H.R. 3103 entitled "an Act to amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance converge in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings account, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes", the Clerk of the House of Representatives shall make the following correction:*

Strike subtitle H of title II.

Mr. KENNEDY. Mr. President, I wish to make a brief comment on the addition of the special-interest provision that was added in the legislation without knowledge of the Democratic conferees and, to my knowledge, Republican conferees.

I am pleased that a provision to benefit a particular pharmaceutical company will now be dropped from the very important health care legislation.

The provision was surreptitiously included in the conference report without the knowledge of the conferees. Clearly, it did not belong in this legislation.

I simply point out that the provision was rejected when previous efforts to put it into other bills were attempted. An initial attempt to include the special deal was rejected in the defense authorization bill. A second attempt was made to include it in the agriculture conference report, and that was rejected also. Now it has been rejected in the health reform conference, and we were right to reject it.

Let me just conclude by saying, strike three, this provision is out and good riddance.

I will highlight the points in the GAO report that was issued. It said that Lodine is a "me, too" drug which provides no significant health benefit or therapeutic breakthrough which would justify expedited review, such as AIDS or cancer.

FDA found that the Lodine submission was "piecemeal, voluminous, disorganized, and based on flawed clinical studies."

The Lodine submission to FDA did not contain "enough data to prove efficacy, until September 1989."

It has already received special consideration under the Waxman-Hatch amendments. We passed that to try to take into consideration companies that felt they had not been treated fairly before the FDA. We have included in the RECORD the excellent statement that has been made by both Senator CHAFEE and Senator PRYOR. First of all, we note that no hearings or deliberations of any kind have been held in either the House or Senate as to whether any public purpose would be served by granting this extension. Then, finally, the CBO says the patent extension will cost the Federal Government and taxpayers \$10 million. These

resources would be far better applied and are urgently needed under the submissions jurisdiction.

The other point I will mention, the Lodine patent extension includes language barring importation of active ingredients. This would prevent generic competitors from conducting the essential preclinical tests and clinical studies to prepare for marketing, as they are permitted and required under the 1984 act. This specific clause further extends the patent extension by as much as 5 years and market exclusivity by as much as 7 years.

#### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The Senate is now operating under control of debate time.

Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand by the previous agreements, we have divided up the time for the next few hours between the Kassebaum-Kennedy bill and also on the minimum wage legislation, but that there has been agreement to vote on these measures at 6 o'clock. So there is an expectation that it would be at 6 o'clock.

So I expect that during the course of the next period of time that we have between now and 6 that perhaps that time could be divided, if it is agreeable with Senator KASSEBAUM; that we might just divide the time between she and I until 6 o'clock.

Mrs. KASSEBAUM. I anticipate, of course, if there is more time allocated to us, that will take us past 6 o'clock. As you know, Senator DOMENICI and Senator WELLSTONE want a large share of that time to be equally divided. We will try to do so. But we will have to make sure that time is allocated to them.

Mr. DOMENICI. Mr. President, I think the Senators will be fair. But it seems to me that the spirit of the understanding would provide a portion of that time to the Senator from New Mexico. I think the spirit of it was that a portion of that time would go directly to the Senator from New Mexico.

Mr. KENNEDY. If we have 55 minutes, I suggest that we divide it between Senator KASSEBAUM and myself. And then we will allocate it to our Members between now and 6 o'clock, if that is agreeable.

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

Mrs. KASSEBAUM. Mr. President, I allocate to myself 5 minutes.

The PRESIDING OFFICER. The Senator from Kansas is recognized for up to 5 minutes.

Mrs. KASSEBAUM. Mr. President, today, we stand on the threshold of

passing long-overdue reforms to our Nation's health insurance system.

According to the General Accounting Office, the bipartisan conference agreement before us today will help at least 25 million Americans each year who now face discrimination and live in fear that their health insurance coverage will be canceled if they change jobs, lose their job, or become sick.

It was exactly 1 year ago today that the Senate Labor Committee passed the core provisions of this legislation by a unanimous vote. For many months prior to that time, Senator KENNEDY and I worked together with insurance companies, consumers, Governors, State regulators, large employers, small employees, and other to forge a bipartisan consensus which would bring us to this day.

Mr. President, it has been a long, and sometimes bumpy, road. But the spirit of cooperation and bipartisanship that began this process 1 years ago has allowed us to overcome very difficult obstacles that threatened—but never derailed—our drive to pass common-sense health reforms that would provide real health security.

While there has been a great deal of debate and polemics over the last few months about extraneous provisions, Senator KENNEDY and I have never lost sight of our primary goal. The heart and soul of the Kassebaum-Kennedy bill that passed the full Senate unanimously are firmly embedded in the conference agreement before us.

Mr. President, beginning July 1, 1997, every American who has played by the rules will be able to keep their health insurance coverage even if they change jobs, lose their job, or have a pre-existing illness.

Last night, the House of Representatives passed the Health Insurance Portability and Accountability Act by an overwhelming vote of 421 to 2. Today, we will have the opportunity to do the same and to send this bill to President Clinton for his signature.

This is a dramatic victory for the American people—not only because the bill will help millions of Americans with preexisting illnesses, but also because—I believe—the process of compromise, negotiation, and bipartisanship that was the hallmark of this bill will go a long way toward restoring Americans' faith that their Government can work to address their most pressing concern.

Depending on who was speaking yesterday, one would think that health reform was entirely the province of one party. But as Senator KENNEDY and I both know, this effort has been bipartisan from the start.

Senator KENNEDY and Representative ARCHER worked together to develop a compromise on medical savings accounts that broke a months-long impasse on the bill.

The majority and minority leaders, as well as Senator Dole, deserve much credit for breaking the gridlock over this bill.

In fact, Mr. President, I would just like to say a special word of appreciation to the majority leader. I think that Senator LOTT has devoted a great deal of time and energy to making sure that we could reach this point this evening before we go out on our recess.

And there also has been significant bipartisan support in the House from Representatives THOMAS, BLILEY, BILLIRAKIS, WAXMAN, HYDE, DINGELL, and others. I especially want to recognize Representative HASTERT of Illinois for his leadership in bringing together members of both parties to reach agreement on this very important bill.

I regret that we could not do more to help small employers. In an effort to avoid controversy that could have derailed the legislation, both the House and Senate small business pooling provisions were dropped from the conference agreement. Representative FAWELL from Illinois is perhaps the greatest advocate of this reform, and Senator JEFFORDS, from Vermont, also has worked very diligently to help small employers enjoy the same economies of scale as large employers. My hope is that those Members and others will continue to show leadership in the future to find constructive bipartisan solutions in this area.

I also regret that this legislation does not include malpractice reforms that could significantly lower costs for consumers.

Finally, Mr. President, I know many of my colleagues are disappointed that the bill does not do more to help end discrimination against those with mental illnesses. I know that Senator DOMENICI and others will speak to that issue later. But I would just like to express my appreciation to Senator DOMENICI who has devoted his time and heartfelt efforts to achieving legislation to address parity in insurance coverage for those with mental illness.

We did not do enough in this bill, and I certainly can understand those who wish we could have done more. However, the bill does represent significant progress for those with mental illness and other chronic conditions. The bill expressly prohibits employers and insurers from denying coverage to individuals because of preexisting mental illnesses as well as physical illnesses, and people who suffer with mental illnesses will be able to change jobs without the fear of losing their health coverage.

I also have received letters in recent days from nearly 30 groups, including the American Association of Retired Persons, the American Medical Association, the American Hospital Association, the American Cancer Society, the Healthcare Leadership Council, the American Lung Association, the American Heart Association, the March of Dimes, and others.

Let me read from one of these letters:

The American Cancer Society estimates that more than one million people will be diagnosed with cancer this year. Ten million

Americans alive today have a history of cancer. Under current insurance practices, many of these people will be denied coverage if they change jobs or lose their job, or they will be squeezed out of their existing plan because of their health status. The health insurance reform bill addresses these critical issues by limiting preexisting condition restrictions and ensuring greater portability of coverage. \* \* \* The modest reforms contained in [this bill] will go a long way toward protecting people with chronic illness and their families. \* \* \*

So, Mr. President, let us move forward. Let us cap this bipartisan effort with another strong vote today and send this historic legislation to the President's desk for his immediate signature.

There is no controversy about the central elements of the bill. There is no question that the President will sign the legislation. There is no question that—despite its long delay—the President, and members of both parties, in both the House and the Senate, can take credit for passing these sensible reforms.

And there is no question that the American people will be the real winners today. This bill will guarantee that those who need coverage the most are not shut out of the system. It is a small step forward, but it is a historic step. And it will mean the world to millions of Americans who will no longer live in fear that they will lose their health coverage when they change jobs or lose their job.

I urge my colleagues to support the conference agreement, and to send this important measure to the President today.

Mr. President, I think many will be helped by this bill. While it is not a great leap, it is an important, historic step forward in addressing many of the American people's most pressing concerns about health care.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, in the final moments before we are going to have legislative completion of this Kassebaum-Kennedy bill, I once again commend the chairman of our committee, Senator KASSEBAUM, for her leadership and work in fashioning this legislation, which reflects the strong bipartisan support of her committee. As she has rightfully pointed out, it was a year ago today that the committee reported it unanimously. It did take us a period of time, some 8½ months, before the Senate finally considered the legislation, and then passed it unanimously. So this does really reflect an extraordinary legislative achievement and accomplishment.

As we come into the final days and hours of this part of the Congress, I think all Americans are very much in the debt of Senator KASSEBAUM for all she has done on this legislation and on many other pieces of legislation, and it

is important for the record to note it. I think the Members of the Senate respect and understand that.

Secondly, Mr. President, this legislation is right and necessary not just because, as the leaders of all of the great religions have pointed out, it is morally imperative for those who have some preexisting condition or some illness, or disability. It is not only right because we have virtual unanimous support from the business, consumer, and labor communities, but most powerfully it should pass because it has the support of the working families in this country.

There will be many who will try to claim credit for the legislation. But ultimately this legislation was passed for the parents, those parents who today are worried about a child who may have some disability and wonder what in the world is going to happen to their child when they reach maturity and they are no longer included in that parent's policy. Those parents know that today it is virtually impossible for that child to be able to get some kind of health insurance.

Victory can be expressed by workers, who currently can see a new opportunity for themselves and for their families by moving up in terms of the employment opportunities but hesitate to do so. They hesitate to attempt to fulfill the great American dream because they wonder whether that job which is out there and offered to them in which they feel they can do a superior job may not provide that degree of coverage for a member of their family, for their wife or for one of their children. As a result, they turn down that opportunity. The American dream becomes somewhat more remote and distant to them.

It is a victory for those older workers, in my State of Massachusetts and around the country who, as a result of downsizing, changes in defense procurement, and changes in our commercial markets, become down-sized and put out, effectively to pasture, and wonder whether they are going to be able to acquire any kind of health insurance because maybe they are not as physically able as they were at an earlier period of time. These older workers—who have worked hard, paid their dues over the long period of time and who may be a little ill—now have this anxiety—just when they are looking at their golden years in retirement.

It is the entrepreneur, the individual who wants to start up their own business but knows that because a member of their family has some illness, they are virtually prohibited from acquiring any kind of health insurance. Today, their hopes and dreams are further diminished.

When the final vote on the Kassebaum-Kennedy is taken later today, it will pass overwhelmingly. It will pass because it is bipartisan legislation. It will pass because it is supported by over 200 groups in a broad-based coalition representing consumers, business,

labor, and responsible insurance companies. It will pass because the conference committee agreed to limit the controversial medical savings account proposal to a genuine test—not a full-blown program—and to accept meaningful portability reforms. Most of all, it will pass because the American public deserves and demands action.

I want to give special praise to the chair of our committee and the leading sponsor of this bill, Senator KASSEBAUM. It was her leadership that resulted in a unanimous vote from our committee. It was her vision and commitment that made it possible for this bill to pass the Senate without crippling amendments. She was tireless in her efforts to reach a constructive compromise to get a bill that all of us can support. As she nears retirement from the Senate, this bill is her gift to the American people. The American people owe her a great debt of gratitude, and I'm proud to have served with her on the Labor Committee for all these productive years.

This bill will end many of the most serious health insurance abuses and provide greater protection to millions of families. It is an opportunity we can't afford to miss.

The abusive practices addressed by this bill create extensive and unnecessary suffering. Ending them will bring greater opportunity and peace of mind to millions of Americans. Twenty-five million Americans a year will be helped by the provisions of this bill. Everyone knows a family member or friend who has been hurt because of the abuses this bill will end.

Millions of Americans are forced to pass up opportunities to accept new jobs that would improve their standard of living or offer them greater opportunities because they are afraid they will lose their health insurance. Many others have to abandon the goal of starting their own business because health insurance would be unavailable to them or members of their families.

Parents who have a child with a health problem worry that their son or daughter will be uninsurable when they are too old to be covered by the family policy. Early retirees find themselves uninsured just when they are entering the years of the highest health risks. Other Americans lose their health insurance because they become sick, lose their job, or change their job—even when they have faithfully paid their insurance premiums for many years.

With each passing year, the flaws in the private health insurance market become more serious. More than half of all insurance policies impose exclusions for preexisting conditions. As a result, insurance is often denied for the very illnesses most likely to require medical care.

The purpose of such exclusions is reasonable: to prevent people from "gaming" the system by purchasing coverage only when they get sick. But current practices are indefensible. No matter how faithfully people pay their

premiums, they often have to start over again with a new exclusion period if they change jobs or lose their coverage.

Eighty-one million Americans have conditions that could subject them to such exclusions if they lose their current coverage. Sometimes these conditions make them completely uninsurable.

Insurers impose exclusions for preexisting conditions on people who don't deserve to be excluded from the coverage they need. Sometimes, insurers deny coverage to entire firms if one employee of the firm is in poor health. Even if people are fortunate enough to obtain coverage and have no preexisting condition, their policy can be canceled if they have the misfortune to become sick—even after paying premiums for years.

One of the most serious consequences of the current system is "job lock." Workers who want to change jobs must often give up the opportunity because it would mean losing their health insurance. A quarter of all workers say they are forced to stay in a job they otherwise would have left—because they are afraid of losing their health insurance.

When we originally debated this legislation on the Senate floor, I spoke of just a few of the millions of Americans who have been victimized by the abuses in the current system.

Robert Frasher from Mansfield, OH works for an employer who offers health coverage to employees. But the insurance company won't cover him because he has Crohn's disease.

Jean Meredith of Harriman, TN and her husband Tom owned Fruitland USA, a small convenience store. They had insurance through their small business for 8 years. But Tom was diagnosed with non-Hodgkin's lymphoma, and their insurance company dropped them because they were no longer profitable insurance risks. Without health insurance, Tom Meredith had to wait a year to get the surgery he needed. After spending \$60,000 dollars of his own funds, his cancer recurred and he died a year ago. Tom Meredith might still be alive today, if he hadn't been forced to wait that year.

Diane Bratten from Grove Heights, MN and her family have insurance through her employer. Because of a history of breast cancer now in remission, Diane and her family would not be able to get coverage if she decided to change jobs or was laid off.

Nancy Cummins of Louisville, KY lost her health insurance when her husband's employer went bankrupt. When their COBRA coverage expired, they were uninsured for 3 years until they qualified for Medicare. During this period, she suffered three heart attacks, which left their family with \$80,000 in debts.

Jennifer Waldrup of my home state of Massachusetts was covered by her husband's health insurance until his employer went out of business. When

she applied for coverage under her own policy, she was turned down because she had multiple sclerosis. Her employer tried to help, but could not find an insurer who would insure here. Her husband had to cash in his life insurance to pay her medical bills.

Tom Hall of Oklahoma City testified before our Committee. He faithfully paid for premiums for 30 years under the group policy of the construction business he co-owned. When the company dissolved and he became self-employed, the same insurance firm refused to give him coverage because he had a heart condition. He lives in fear that his life savings will be wiped out.

This legislation is a health insurance bill of rights for Robert Frasher, for Jean Meredith, for Diane Bratten, for Nancy Cummins, for Jennifer Waldrup, for Tom Hall—and for millions of other Americans as well.

Those who have insurance deserve the security of knowing that their coverage cannot be canceled, especially when they need it the most. They deserve the security of knowing that if they pay their insurance premiums, they cannot suddenly be denied coverage or be subjected to a new exclusion for a preexisting condition when they change jobs and join another group policy, or when they need to purchase coverage in the individual market.

This health insurance reform bill corrects these fundamental flaws in the private insurance system. It limits the ability of insurance companies to impose exclusions for preexisting conditions. Under the legislation, no such exclusion can last for more than 12 months. Once someone has been covered for 12 months, no new exclusion can be imposed as long there is no gap in coverage—even if people change jobs, lose their job, or change insurance companies.

The bill requires insurers to sell and renew group health policies for all employers who want coverage for their employees. It guarantees renewability of individual policies. It prohibits insurers from denying insurance to those moving from group coverage to individual coverage. It prohibits group health plans from excluding any employee based on health status.

These rules are important for helping people with a wide range of health conditions. They also address the relatively new but serious and growing concern that genetic screening information will be used to deny coverage to people who aren't sick yet—a concern that prevents many from getting the medical tests that could help protect them against future illness.

Also, because of this bill, victims of domestic violence will know that they can seek help without jeopardizing their insurance coverage.

The bottom line is that this legislation guarantees that no one who faithfully pays their premiums can have their insurance taken away or preexisting conditions imposed, even if they change jobs or lose their job.

There has been a sudden rush in recent day to claim credit for this bill as it reaches final action. This is not a partisan bill. It was developed by a Republican Senator and a Democratic Senator. Members on both sides of the aisle have made important contributions. But the American people should be clear as to who fought to pass this bill—and who fought to derail it.

The Kassebaum-Kennedy bill was approved by the Labor and Human Resources Committee on August 2, 1995—exactly 1 year ago today. It was approved by a unanimous vote of 17-0. And then it languished for months on the Senate calendar because Bob Dole and the Republican Senate leadership tried to kill it by a system of rolling, anonymous holds. In fact, it would still be on the Senate calendar today, if it had not been for the courageous leadership and timely intervention of President Clinton.

Let there be no mistake about the facts. This bipartisan bill was passed because President Clinton led an all-out effort. And it almost died because Bob Dole and the Republican leadership tried to kill it. They blocked it for months because they were more concerned about the profits of insurance companies than the health care of America's families. The party that tried to slash Medicare was at it again.

President Clinton's eloquent call for action on the bill in the State of the Union Address on January 23d this year was the trumpet that blew down the wall of Republican obstruction. The President focused the attention of both the press and the public on the legislation—and on the secret maneuvers that were stabbing it in the back. The obstruction failed. President Clinton's State of the Union Address lit a fire that Bob Dole couldn't extinguish.

Two months later, on February 6, Bob Dole agreed in principle to let the bill come before the Senate. At that time, hardly by coincidence, he was in the middle of a difficult campaign in the New Hampshire primary.

And even after he agreed in principle to bring up the bill, he still managed to postpone action for more than 3 months—until April 18—so that insurance companies who profit from the abusive practices of the current system would have more time to organize their opposition and prepare their poison pills.

One of the poison pills was medical savings accounts [MSAs]. The House and Senate Republicans tried to force Congress to swallow that pill, even though it would clearly jeopardize passage of the entire reform. This radical and untried concept was fueled by lavish campaign donations from the Golden Rule Insurance Company—one of the worst abusers of the current health insurance system. Authoritative, independent analyses of the concept warned that widespread use of medical savings accounts could easily drive up premiums for other citizens by 60 percent or more. In the words of the Congress-

sional Budget Office, medical savings accounts "could threaten the existence of standard health insurance."

The Republican plan lacked even the most basic consumer protections for people who selected MSAs. Deductibles could be as high as \$5,000 per individual and \$7,500 per family. There was no limit on how high their total out-of-pocket costs could rise.

The Kassebaum-Kennedy health insurance reform bill is supposed to make the insurance system better for the American people, not undermine it through untested programs or expose people to excessive health care costs. But that is exactly what Senator Dole and the House Republicans tried to do. When medical savings accounts were proposed on the Senate floor, Senator Dole led the effort—and was soundly defeated.

House Republicans also demanded other protections for the insurance industry that would have made a mockery of the entire bill. Under their proposal, the promise of portability became a hollow one. Insurance companies could offer only one policy to sick people at a prohibitive cost. A family plan would have cost \$18,000 a year under the Republican plan.

This scheme would have been a setup for the insurance industry and a setback for health reform, if Democrats had not stood firm. The intransigence of the House Republican leadership stalled the bill until July 25—4 months after it passed the Senate. Until the last day of the conference, they continued their attempt to undermine the portability provisions. Because President Clinton and Congressional Democrats stood firm, the American people are the winners.

Obviously, this bill is not a cure-all for the health care system. But it is an important first step on the road to further reform.

We all know the problems that continue to exist. Between 1990 and 1994, the number of uninsured Americans rose 18 percent—from 34 million to 40 million citizens. The average person who becomes uninsured today will stay uninsured twice as long as in the 1980s. According to a recent study, the number of uninsured could rise by another two-thirds—to 67 million Americans—over the next 7 years. The percentage of Americans with job-based insurance will fall from 61 percent in 1989 to 45 percent by 2002.

These trends will not change because of the legislation we are enacting today. Too many families will still be just one pink slip away from losing their coverage. Too many families forced into unemployment or retirement by corporate downsizing will not be able to afford the insurance they need—even if they cannot be denied the right to purchase it simply because they are ill.

Tens of millions of other Americans have no coverage today because they work for employers who won't provide it and because they can't afford it

themselves. They will get no relief from this bill.

Too many senior citizens will continue to pay more than they can afford for the health care they need. Too many children will still not get the healthy start in life they deserve.

Across the landscape of America there is not a family that has not been affected by some preexisting condition, some illness, some disability. There is not a family that does not know a neighbor or friend that has not been presented with this kind of fear and anxiety.

So, Mr. President, we move this legislation forward, and we are very hopeful that when this measure is actually signed by the President of the United States, we will be helping to lift that sense of anxiety and fear and frustration from among our fellow Americans when they have been turned down by the fiercest and most abusive policies of insurance companies.

We know that this legislation is not going to resolve all the problems, but there will be those families, there will be those parents, there will be the members of the family, there will be the older worker, there will be the entrepreneur who will know they can look to the future with additional hope and anticipation in fulfilling the American dream.

So, although this is not all of what some of us may have wanted, this is a meaningful, important piece of legislation that can make an extremely important and significant difference in the quality of life for our fellow Americans. The passage of the legislation is the beginning of a journey, not an end.

Next year I hope, under President Clinton's leadership, and I would say a Democratic Congress, we will take the next step forward toward assuring every American family the basic right to health care.

Mrs. KASSEBAUM. Mr. President, I agree with the ranking member of the Labor Committee on some things. But the last part of his statement I would, perhaps, have to have some question about.

I yield 5 minutes, now, to the chairman of the Finance Committee, Senator ROTH.

Mr. DOMENICI. Mr. President, I ask if the senior Senator from Kansas will yield to me for 10 seconds?

Mrs. KASSEBAUM. I will so yield.  
Mr. DOMENICI. Senator KENNEDY, I know your desire for next year, but I would remind you, you had the Senate and House for 2 years with the President, and you did not get anything done with health care. I yield the floor.

Mr. KENNEDY. Mr. President, I would like to yield to myself. I think I have a right to recognition—

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Massachusetts should be warned the Senator from Kansas yielded to the Senator from Delaware.

Mr. ROTH. Mr. President, today we fulfill a promise to the American people. We bring greater security to American families. We offer peace of mind to

hard-working, responsible men and women who are providing for themselves and for their families.

There has been no question on either side of the aisle—or throughout America—about the need to make necessary improvements in our health care system.

The improvements in this legislation primarily focus on making health care coverage accessible and affordable. It goes without saying that we have the highest quality of care, the best technology, the finest health care personnel found anywhere in the world.

Our objective, then, is to initiate fundamental reforms in access to health care without doing irreversible harm to quality, research and technology. This legislation is an excellent first step toward accomplishing our objective.

Unlike the health care reform effort made 2 years ago, this legislation does not harm the system in the process of reforming it.

Rather, this legislation meets the most pressing needs associated with reform: Increased portability; limitations on pre-existing conditions exclusions; guaranteed renewability of health care insurance; and, improved means for small businesses and self-employed individuals to provide health care coverage, including long-term care.

I want to particularly thank Senator MCCONNELL for his leadership and active participation in these reforms, especially in the area of long-term care. Likewise, I want to acknowledge the work done by Senator COHEN toward preventing health care fraud and abuse. I want to thank Senator GRASSLEY for the work he has done in the area of coordination and duplication of Medicare-related plans, and Senator BOND who has been instrumental in his work for administrative simplification.

This has certainly been a team effort—a valiant effort by Senators and hard-working staff. I am proud of what we have accomplished. Beyond the critical reforms I have already outlined, this legislation also takes a very important first step toward a program that I have long advocated—that is the medical savings account. Medical savings accounts provide a fundamental way to make health insurance affordable to small business employees and self-employed individuals, and this bill provides for a 4-year demonstration project—a project in which self-employed individuals and companies of 50 or fewer can participate.

My firm belief is that this project will prove the success of medical savings accounts, and we will then be in a strong position to provide MSA's for Americans everywhere.

Beyond these important reforms, this legislation also helps control the cost associated with health care by creating new tools in our fight against health care fraud and abuse. While I would like to see our efforts to control fraud and abuse go much further, the provisions in this bill represent a good starting point.

Along with providing these tools, this legislation improves the Medicare and Medicaid programs and the private health care system through uniform standards that will cut out much of the redtape in health care.

It is important to note, Mr. President, that this bill does not pre-empt State privacy laws. Instead, it provides protection for an individual's health information.

Each of these changes represents a significant improvement over current law. Combined they represent a strong first step toward reforming America's health care delivery system in a way that improves without destroying. And this is critically important to the American people.

Two years ago they rejected the wholesale restructuring of our health care system. They understood that reform, as it was proposed then, was throwing the baby out with the bath water. It was tampering dangerously with one-eighth of our Nation's economy, and a system that had the highest standards of quality in the world. What we do with this legislation is make the reforms they want—the reforms they need—without destroying all that is good and working in the current system.

With this Health Insurance Portability and Accountability Act, we keep our promise. We effectively address the problems facing the Nation's health care system in an incremental fashion.

I am honored to be a part of this momentous effort—I appreciate all the work that's been done by valiant staff members—and I am heartened by the positive, bipartisan way in which we have succeeded.

I yield the floor.

Mr. KENNEDY. Mr. President, I yield myself 1 minute.

I am very, very surprised at my good friend from New Mexico, talking about what has been achieved, that this has only been achieved under a Republican Congress. Where were the Democrats? I will tell you where the Democrats were not. They were not cutting Medicare and cutting Medicaid so we could have tax breaks for the wealthiest individuals in this country. And where the Democrats were not is waiting 8½ months to bring this bill up, which the Republicans are crowing about at this time. That is where the Democrats were.

I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER (Mr. BURNS). The Senator from New York is recognized.

Mr. MOYNIHAN. I rise in support of the Health Insurance Portability and Accountability Act of 1996. It makes elemental and much-needed improvements in health care coverage for Americans by guaranteeing "portability" of health insurance for employees who change jobs, and by eliminating the current practice of denying coverage to persons with preexisting

health conditions. These were the areas in which there was by far the greatest consensus when the President's health care legislation was considered in the Finance Committee in 1994, and I am pleased that agreement has been reached to make these changes.

However, I am not pleased with the resolution of another issue in this bill: the provision to prevent persons from renouncing their American citizenship and moving abroad in order to avoid U.S. taxation. That dubious practice has come to be called "expatriation" among members of the tax bar, although that is not a very illuminating term. The word expatriate derives from the Late Latin *expatriare*, to banish. Ex, out of. Patria, native country. Perhaps a term that better reflects the tax consequences of the issue will emerge in time.

The conference report on the health legislation before us today contains as a revenue offset the House expatriation version, rather than the Senate provision. The Senate provision also was included in the small business tax relief legislation marked up by the Finance Committee on June 12, but it was later dropped in the conference on that legislation. I am convinced that the House proposal will leave in place a continuing tax incentive to renounce citizenship in order to evade taxes.

This issue gained notoriety in late 1994, when expatriation by several very wealthy individuals was widely reported. On April 6, 1995, shortly after the issue arose for the first time in Congress, I introduced S. 700, a bill to close the loophole in the Tax Code that permits "expatriates," as they have come to be called, from escaping U.S. taxation.

Although expatriation to avoid taxes occurs infrequently, it is a genuine abuse. The Tax Code currently contains provisions, dating back to 1966, intended to prevent tax-motivated relinquishment of citizenship, but these provisions have proven difficult to enforce, and they are easily circumvented with the assistance of resourceful tax counsel. One international tax expert described avoiding them as "child's play." Under current law, individuals may, by renouncing their U.S. citizenship, avoid taxes on gains that accrued during the period in which they acquired their wealth—and while they were afforded the many benefits and advantages of U.S. citizenship. Even after renunciation, these individuals are permitted to keep residences and reside in the United States for up to 120 days per year without incurring U.S. taxes. Indeed, certain wealthy Americans have "expatriated" while still maintaining their families and homes in the United States. They need only take care to avoid being in the United States for more than 120 days each year.

Meanwhile, ordinary Americans who remain citizens continue to pay taxes on their gains when assets are sold, or when estate taxes become due at death.

I regret to say that the expatriation issue has been and, in light of the decision taken by the conferees on the health insurance reform bill, may continue to be the subject of more controversy than it probably deserves. In the interest of making the record complete, I will briefly review the history of the issue's consideration in the Congress.

On February 6, 1995, the President announced a proposal to address expatriation in his fiscal year 1996 budget submission. Three weeks later, on March 15, 1995, during Finance Committee consideration of legislation to restore the health insurance deduction for the self-employed, I offered a modified version of the administration's expatriation tax provision as an amendment to the bill. My amendment would have substituted the expatriation proposal for the repeal of minority broadcast tax preferences as a funding source for the bill. The amendment failed in the face of united opposition by members of the majority on the committee. The vote against the amendment was 11-9.

Later in the markup, Senator BRADLEY offered the expatriation provision as a free-standing amendment, with the revenues it raised to be dedicated to deficit reduction. Senator BRADLEY's amendment was adopted by voice vote.

After the Finance Committee reported the self-employed health deduction bill, but before full Senate action and before our conference with the House, the Finance Committee held a hearing to review further the issues raised by expatriation. At our hearing, we heard criticisms of some technical aspects of the provision, as well as testimony raising the issue of whether the provision comported with Article 12 of the International Covenant on Civil and Political Rights, which the United States ratified in 1992. Section 2 of Article 12 states: "Everyone shall be free to leave any country, including his own."

Robert F. Turner, a professor of international law at the U.S. Naval War College, testified that the expatriation provision was problematic under the Covenant because it constituted a legal barrier to the right of citizens to leave the United States. The State Department's legal experts disagreed, as did two other outside experts who provided written opinions to the committee: Professor Paul B. Stephan III, a specialist in both international law and tax law at the University of Virginia School of Law; and Mr. Stephen E. Shay, who served as International Tax Counsel at the Department of the Treasury under the Reagan administration.

Given this division in authority, it seemed clear that the Senate should not act improvidently on the matter. Genuine questions of human rights under international law, and the solemn obligations of the United States under treaties, had been raised. We therefore sought the views of other ex-

perts. Opinions concluding that the expatriation provision did not violate international law were received from Professor Detlev Vagts of Harvard Law School and Professor Andreas F. Lowenfeld of New York University School of Law. The State Department issued a lengthier analysis supporting the legality of the provision, and the American Law Division of the Congressional Research Service reached a like conclusion.

However, there were contrary views, most notably the powerful opinion of Professor Hurst Hannum of the Fletcher School of Law and Diplomacy at Tufts University, who first wrote to me on March 24, 1995.

This is where things stood when the House-Senate conference met on March 28, 1995. At that time, the weight of authority appeared to support the validity of the provision under international law, yet very real questions remained unresolved. The underlying bill had to move at great speed. As my colleagues well know, the legislation restoring the health insurance deduction for the self-employed for calendar year 1994 had to be passed and signed into law well in advance of the April 17, 1995 tax filing deadline, so that self-employed persons would have time to prepare and file their 1994 tax returns.

The conference committee had to decide immediately whether to retain the expatriation provision. There was no time for further inquiry into its validity under international law. We accordingly chose not to risk making the wrong decision, which might violate international law and human rights. We elected not to include the provision in the conference report. The conferees instead adopted a provision directing the Joint Committee on Taxation to study the matter and report back.

That decision, which was the only prudent one at the time, was met with some not very pleasant criticism in the Senate. This was surprising, since I believed it was axiomatic, particularly on our side of the aisle, that Government should proceed with great care when dealing with human rights—particularly the rights of persons who are despised. The persons affected by the expatriation proposal—millionaires who renounce their citizenship for money—certainly fell into the category of persons who are easy to despise.

Since that time, a general consensus has developed that the Senate provision does not conflict with the obligations of the United States under international law. Professor Hannum, after receiving additional and more specific information about the expatriation tax, wrote a second letter on March 31, 1995 stating that he was "convinced that neither its intention nor its effect would violate present U.S. obligations under international law." And in the interim, there has been time to consider other approaches to the problem. On June 1, 1995, the Joint Committee on Taxation published its report on the tax treatment of expatriation.

Shortly thereafter, on June 9, 1995, Chairman ARCHER introduced an expatriation bill that adopted a different approach than S. 700, which was the bill introduced by the Senator from New York. A second Finance Committee hearing on expatriation was held on July 11, 1995 to consider the two competing approaches. The Senate thereafter incorporated in its version of the Balanced Budget Act of 1995 a slightly modified version of the bill I introduced. The Senate bill adopted the accrued gains approach rather than the House alternative as the superior response to the problem. However, the House prevailed in conference and a version very similar to the Archer bill was included in the final Balanced Budget Act of 1995, which was later vetoed by President Clinton.

That same House provision has now been incorporated in the conference agreement before us on the health insurance reform bill.

Adoption of the House expatriation proposal rather than the Senate proposal is being justified, in part, based on the fact that the Joint Committee on Taxation has scored it as raising substantially more revenue than the Senate version. These revenue estimates are difficult to believe, because almost any member of the tax bar would concede that the Senate proposal would deter tax-motivated expatriations far more effectively than the House proposal. In contrast to the Joint Tax Committee, the Treasury Department estimates that the Senate proposal would raise substantially more revenue than the House version. This comports with the views of most tax experts.

Here is why I believe the House provision is unsatisfactory. Under the Senate provision, an expatriate with a net worth of over \$500,000 (or average annual tax liability in excess of \$100,000) generally would be taxed on his asset appreciation existing at the time of expatriation. Alternatively, an expatriate could elect to continue to be taxed as if a U.S. citizen—i.e., to be subject to worldwide tax on his assets until their disposition. The provision also offers alternatives for delayed payment of the tax on accrued gains, with interest.

Rather than impose a tax on accrued gains, the House bill attempts to build on the current law approach of taxing only a portion of the income generated by assets of expatriates during the 10-year period following expatriation. This approach will fail to eliminate the very substantial tax advantages that currently inure to persons willing to give up their citizenship.

Under the House proposal, several categories of taxpayers would continue to owe no tax at all should the IRS be unable to prove a "tax avoidance motive" for expatriating. As under current law, patient taxpayers would avoid all tax on accrued gains by simply holding their assets for ten years. Gains recognized after that period

would never be taxed by the United States. A wealthy expatriate needing money during the 10-year period could simply borrow money using his or her assets as security.

Under the House provision, no tax at all would be owed on income or gains from foreign assets following expatriation, as under current law. Given the enormous incentive to own foreign assets, experienced tax practitioners would continue to find ways to convert U.S. assets into foreign assets in order to avoid tax on the income earned during the 10-year period.

The House approach also would risk nonpayment of amounts owed, as it relies on the voluntary payment of taxes for 10 years following expatriation, well after the taxpayer has moved beyond the reach of U.S. courts. In contrast, the Senate version generally would not require looking beyond the facts at the time of expatriation, making it much more likely that taxes owed would be collected. Further, taxpayers would be required to provide security for delayed payment of taxes.

Another flaw in the House bill is that it will unilaterally override existing tax treaties. In its report on expatriation, the Joint Tax Committee staff stated that the House version may ultimately require that as many as 41 of our 45 existing tax treaties be renegotiated and that it might be necessary for the United States to forego benefits to accomplish renegotiation.

As the first Senator to have introduced legislation to end tax avoidance by so-called expatriates, and as one who urged that it be acted upon expeditiously, I am disappointed that the expatriation changes I have sought, and that have been passed by the Senate on three separate occasions, have been set aside in favor of far less effective measures. I believe the honor of the tax-writing committees is at issue here. The action taken today will allow this issue to fester for some time to come because the new rules will not measurably reduce the tax advantages of expatriation.

On another matter, I also wish we could have addressed the issue of mental health parity in this conference report. In April, I voted for the Domenici-Wellstone amendment to the Senate version of the underlying bill. It would simply have required health plans to provide coverage of mental health services equal to that provided for acute medical services. The amendment got 65 votes.

Subsequent scoring of the amendment by the Congressional Budget Office determined that it would be relatively expensive. Senators DOMENICI and WELLSTONE then prepared a scaled-down version of their amendment which would have required health plans to provide equal treatment only of annual and lifetime limits. This alternative would have cost approximately one-tenth of what the original amendment would have cost.

Unfortunately, this modest revised proposal was also unacceptable to the

majority members of the conference. Subsequent proposals by Senator DOMENICI to scale back the parity requirement even further were also rejected without the benefit of consideration by Senators appointed to the conference, or even by our staffs. After the initial meeting of the conference in the Ways and Means room on July 26, 1996, the conferees were never assembled to discuss this or any of the elements of the final conference agreement.

For these reasons, I chose not to sign the conference report on this legislation. We could have done better on expatriation, and on mental health parity. Even so, I am prepared to vote for this legislation because its central features—the health insurance reforms—are important and overdue. I congratulate Senators KENNEDY and KASSEBAUM for their hard work and persistence on this legislation, and I urge its adoption.

The Presiding Officer. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I know the Senator from Iowa, [Mr. GRASSLEY] had wished to speak, because the State of Iowa has done some very innovative things regarding the question of health care insurance, but we are running out of time. He is going to address his full statement and make it a part of the RECORD at some point as we find time at the close of this debate. I would like to right now, though, yield 15 minutes to the Senator from New Mexico [Mr. DOMENICI].

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 15 minutes.

Mr. DOMENICI. Mr. President, I say to my friend from Massachusetts, we may not agree on the issues we just spoke of, but we agree on the issue I am going to speak of, and for that I thank him.

Mr. President, I say to my fellow Senators, about 8 months ago, I went to a meeting in Gallup, NM, at an Indian hospital. I noticed sitting in the audience a very, very handsome Indian woman. My guess is that she was probably 55, 58 years of age. And she stood up and said, "Thank you, Mr. DOMENICI."

I said, "What are you thanking me for?" And she began to cry.

When she finished, she said, "Thank you for asking the Indian Health Service to give the modern drug called Clozaril to my schizophrenic son. He has been catatonic for 22 years. And thank you for giving him back to me. He is home now, and he is performing on almost a hundred percent in my house."

Frankly, I did not deserve the accolade, but I was on a TV show just yesterday about the issue of "should we stop discriminating against people like that young Indian boy who is not on Indian health coverage," and a representative of business said to me, "Well, you just want to provide money for all these ladies that want to go see their shrinks."

To which I said, "You have not read my amendment, and most of the mentally ill people that I am seeing and have become friends with over the last 15 years, whose children have manic depression, deep depression, schizophrenia or one of the serious, serious mental diseases which are almost universally accepted as being diseases of the brain—you would not be talking about shrinks when it comes to the kind of treatment and care that psychiatrists, who have already disavowed Freud"—and I might say to my friend from New York, I am not reluctant to tell the psychiatrists in America that I believe Freud is dead and that the treatment of mentally ill people does not require 50 visits to the "shrink," so to speak, but it does require that qualified doctors and health care centers diagnose and treat the severe mental illnesses as diseases.

All we ask for in this bill, of all the things we could have asked them to provide, we asked for two things, and listen carefully, I say to my fellow Senators, because we are going to do this sooner or later. We said, if you provide mental health coverage, you must provide the same lifetime coverage as you do for everybody else covered, the same total lifetime coverage and the same annual coverage. That is all we asked for.

We did not ask, nor did we say, that for those who are worried about the shrink, we did not say that you had to cover that. In fact, it is clear that they could require any kind of copayments they want. They could require a number of visits being exempt from coverage, if that is what worries them. All we said is if you cover them, don't discriminate against them, and then when they are in the fourth year of a serious illness say, "Oops, there's no more coverage, we only gave you \$50,000 worth of lifetime coverage."

Incidentally, that is ordinary for American insurance today. While they cover the other ones for \$1 million if you have cancer or heart trouble or you have a transplant—\$1 million—in the same policy, they cover mental illness, however, \$50,000 for your life. If that is not discrimination, I have never seen it, and if that is not a denial by our community of a reality and hiding your head, then I cannot believe it.

I honestly believe that the mentally ill should get more protection than these two components of what we offered the conferees by way of resolution, and I might say, none of my remarks are directed to Senator KENNEDY, Senator MOYNIHAN, or Senator KASSEBAUM. I believe we would have received this treatment had they been the ones making the decision.

But I will say to the American business community, you have some lobbyists representing you that it seems to me, at least, when they once get a set of facts in their heads, they forget to use their brains. And so what they say is, what DOMENICI offered with WELLSTONE on the floor cost too much.

And then I say, "Did you look at what we offered in compromise?"

"What compromise?" While they have been saying in the newspapers it will bankrupt them.

Frankly, there are many great American businesses toward which these comments are not directed. There already are major ones that cover with full parity, not just parity of annual and lifetime caps, and I do not address these remarks at them. But I submit, you have to face up to reality and get away from the fear that comes with talking about people who have severe mental illness and the trepidation and consternation. Just look around your neighborhood, for the CEO's of American companies, look among the hierarchy of your company, and if you don't find somebody who has a relative with schizophrenia or severe manic depression or severe clinical depression or bipolar illness, then you are a rare, rare exception to the society of the United States, because that is the way it really is.

I have been privileged to meet thousands of relatives of the severely mentally ill of this Nation. We think at any given time there are between 3 and 5 million people with severe illnesses. Frankly, I want to send them a little ray of hope. I don't want them to think we are going to remain as we have been forever.

So, today, with the Senate's permission, I ask unanimous consent that I be permitted to send a bill to the desk and that it be reported to the appropriate committee. I do not ask for any special favors today. But it is very simple.

All it says is if employers and the insurance community cover the mentally ill, they can set whatever standards they want. They can deny coverage for the first 10 visits to a medical doctor psychiatrist if they choose, but they cannot say that your total lifetime coverage is any different than the coverage for the other more well-known and longer defined physical ailments, and the same with the annual payment.

That is the bill I am sending, with my observations. This is for Senator WELLSTONE and about eight other Senators who join me, and Senator MOYNIHAN joins now. I am asking Senator KASSEBAUM and Senator KENNEDY to hold hearings as soon as we come back in September, and I believe they are going to.

That means we are going to bring this little bill out of that committee, hopefully with their support, and we are going to present it again, even in September, when we are trying to get out of here.

So for those in the business community who think they have seen the last of this, just get those fellows ready for September so they will have something to do around here.

Mr. DODD. Will my colleague yield?

Mr. DOMENICI. Yes, I yield.

Mr. DODD. Will you allow the Senator from Connecticut, the insurance

capital of this country, to be listed as a cosponsor?

Mr. DOMENICI. You have it.

Mr. KENNEDY. Will you be kind enough to include me as a cosponsor?

Mr. DOMENICI. Senator KENNEDY, Senator GRASSLEY, Senator KASSEBAUM, I am delighted.

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

Mr. DOMENICI. Mr. President, I send the bill to the desk and ask it be referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, the bill will be received and will be referred.

Mr. DOMENICI. I would be remiss if I did not thank a lot of Senators, because many have been asked about this and many are going to support this.

I want to say this is a great bill, the bill we are going to pass today.

I just want to make one reminder again to those who oppose the bill that I sent to the desk. There are some representing the business and insurance who say they do not want any mandates. What is the bill we are passing today? What is the bill we are passing today? Is it not a mandate? Of course it is a mandate.

Let me tell you, nobody is even talking about the cost anymore because it is so right. But it will cost a lot more than what that little bill Domenici sent to the desk will cost. To spread the risk of preexisting conditions is going to cost a lot of money, but we think it is the right thing to do. Somehow they do too, the business community and the insurance community. So let me now yield the floor and say, I am very, very grateful for the chance to present this again, soon. And I thank Senator KASSEBAUM for yielding me time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I just want to join what I know is the overwhelming number of Members here in saluting the Senator from New Mexico as well as our good friend from Minnesota, Senator WELLSTONE. I think many of us still remember the eloquence with which the Senator made his impassioned plea when the Senate debated his amendment. He has been committed and dedicated to the sensible and responsible health policy that includes mental illness. And he is absolutely correct.

I look forward to working closely with the Chair, Senator KASSEBAUM, to move that legislation out and look forward to standing side by side with him as we hopefully will pass that legislation. I think he has done a great service for the Senate. I join in commending him for his eloquence, as well as Senator WELLSTONE. I see the Senator from West Virginia, Senator ROCKEFELLER. I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 minutes.

Mr. ROCKEFELLER. I thank the Senator from Massachusetts.

I just simply say this. This is not small, this legislation, Mr. President. It is not universal health coverage, but it is going to affect between 25 and 30 million Americans, and about 300,000 West Virginians. And it is extraordinary that it is being done.

Usually, in the past, we have passed a bill or tried to, and then failed. We have backed away from action. This year we did not. Because of Senator KASSEBAUM and Senator KENNEDY, we came forward and we took on a hard job. And they did it. And they deserve enormous praise.

It means that I am going to be able to call Karen McPeak, who I spoke with today. She and her husband have two children, two boys. They have hepatitis and hemophilia. They were making \$80,000 a year between them, had two cars, a house, savings, the rest of it.

Because they could not get their two boys insured because they had preexisting conditions, they went through their savings, they then lost their house, they lost both their cars, they then gave up their jobs. They went on Medicaid in order to take care of their two sons, all of this because they are good parents. And that is the only way open to them in the system today.

This bill will change forever what will happen with the McPeak family. The children will be covered. The parents will be able to go back to the life that they knew. This couple is only one of those in West Virginia. And I rejoice along with them.

I close by simply saying this. I can report back to West Virginians now that we have branded a preexisting condition something which insurance companies will insure. The portability of health insurance from one job to another is something which we will vote on and make the law of the land.

I know there have been difficulties. I know there have been disputes. But today I think it is important to celebrate what it is that we in fact have actually done. And then tomorrow let us move on to the broader field of universal health care coverage in one way or another. But let us do that.

I have no way of expressing my respect to the Senator from Massachusetts and the Senator from Kansas, both of them giants on this. And America and West Virginia are better off. And I am very proud to be associated with voting for this bill. I thank the senior Senator from Massachusetts and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Thank you, Mr. President.

Mr. President, let me begin by quickly commending our colleague from New Mexico, who has now left the floor. But

I just want to associate myself with his remarks and, as he mentioned at the time, to become a cosponsor of his bill. And I deeply appreciate his efforts and the efforts of Senator WELLSTONE on behalf of the mentally ill in this country and their families.

I am sure I speak for many of our colleagues here when we commit to him and others that worked so hard on this that this will be a priority, and as the Senator from New Mexico stated so eloquently, it will happen, and will pass. We regret that it is not happening today.

Second, Mr. President, while we are still a number of weeks away from this Congress adjourning sine die, I want to use the opportunity here today to say to our colleague from Kansas—and I do this with some reluctance because I do not want her career to be placed in jeopardy by having the general chairman of the Democratic National Committee commending her too flowingly and put her in some jeopardy with her constituency—but this is yet one more example of her leadership, this piece of legislation.

It is entirely fitting and proper that, in fact, her name is so closely associated with this bill, as it has been with so many pieces of legislation over her career that have benefited so many millions of people in this country and abroad. I am very proud of the fact that this last day before we adjourn for several weeks that we are completing a piece of legislation that bears her name, and that millions of people, millions and millions of people, will be benefited as a result of this effort.

Second, Mr. President, it is hard to mention the subject of health care at any point over the last three decades and not mention the name of the cosponsor of this bill. For more than 30 years every single major effort, every single major effort that I can think of that involved improving the quality of health care for Americans has borne the name of EDWARD M. KENNEDY.

It is certainly no accident that this piece of legislation bears his name as well. It is not an abstraction, this effort. He knows painfully with his own family and children how difficult these issues can be. I am just proud that this body finally acted after so many months, months that in my view should not have been wasted in dealing with an issue that should have joined every Member of this body, regardless of party and ideology, to support the simple propositions that people with preexisting conditions, that people who lose jobs ought to be able to carry with them the basic kind of health care that would relieve them and their families of the stark fear of being caught in the cracks, of being uncovered, at the time of a medical crisis.

It was 31 years ago, Mr. President, that Medicare became the law of the land. Obviously, that piece of legislation was in many ways far more comprehensive than the Kassebaum-Kennedy legislation. But there is a simi-

larity between these two proposals and bills. By the stroke of a pen, Lyndon Baines Johnson, on that day in 1965, by the stroke of a pen, he literally placed millions and millions of people beyond the fear of a health care crisis. The mere stroke of his pen enfranchised millions of people and protected them from health care crises.

Today when we pass this bill—and within days or hours, I hope, the President of the United States, President Clinton, who has been such a strong supporter of this effort, will sign this legislation into law, and 25 million Americans immediately will be protected, immediately protected. There is no requirement that we go through a lot of agency activity and bureaucracy and regulations. But merely by passing this law and signing his name, we will relieve the fear and burden for 25 million Americans. And for that I say, a deep sense of thank you to Senators KASSEBAUM and KENNEDY for their efforts and their battle. Thank you.

Mrs. KASSEBAUM. Mr. President, I very much appreciate the thoughtful comments of the Senator from Connecticut who has been a very dedicated member of the Labor Committee, who has worked to get this accomplished from the very beginning. I appreciate his valuable support and efforts.

I now yield 3 minutes to the Senator from Wyoming, Senator SIMPSON.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 3 minutes.

Mr. SIMPSON. Mr. President, I thank my colleague from Kansas who came here when I did. We exit together as we entered together. It has been a great privilege to serve with this remarkable woman and see the legislative history that she leaves; and my friend from Massachusetts, too, who I have enjoyed thoroughly in my time here, even though certainly there are times when he tests every bit of my patience, and on more than many occasions. But I will miss him, too. I commend them both.

I just want to briefly follow up on the comments of the Senator from New Mexico. I had made some comments yesterday about my disappointment with one aspect of this conference report. We have had such a productive week here, and on so many things. But I do feel a sense of real hollowness over the failure to include even some modest version of the mental health parity in this bill.

I am a cosponsor and I spoke on the bill originally when it passed here 68-30, a sweeping definition there, when it was approved. Senators DOMENICI and WELLSTONE worked doggedly trying to assure that at least some limited form of that amendment came through this process. It had been my privilege to assist them in that cause. They have worked very hard.

The events of the last few days show again that the wall of discrimination against the mentally ill is very real. It is still too powerful for any of us to

overcome, apparently. That is a very sobering fact.

I know my colleagues will not give up this fight, none of us will, even though this singular battle has been lost. I pledge I will continue to assist them. There is a great deal of work to be done in educating and enlightening the American people on the realities of mental illness.

It is troubling and disturbing to me that there still continues to be this stigma associated with mental illness. The unspoken message here is that people afflicted with mental illness are somehow not as worthy of treatment as those afflicted with cancer or heart disease or other physical ailments. No one in this Chamber would consciously ever say such a thing, but this is the message we are sending through our actions.

That is why it is so important for this Congress to revisit this important issue. We should certainly not let this bill and its silence with respect to mental health be any kind of final word on this issue. We will revisit this one in September.

I commend my colleague from New Mexico, and again thank Senator KASSEBAUM and Senator KENNEDY for this remarkable work product which we all deeply appreciate.

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

The PRESIDING OFFICER. The Senator has 5 minutes and 19 seconds.

Mr. KENNEDY. I yield 3 minutes to the Senator.

Mr. CONRAD. I thank the Chair.

Kennedy-Kassebaum—what a team. What an achievement—25 million people protected because, working together in a bipartisan way, they have broken the gridlock here in Washington.

NANCY KASSEBAUM, who always exhibits grace, civility, and decency, and TED KENNEDY, an absolute lion in this Chamber on whatever issue he decides to weigh in on, thank goodness they weighed in on these issues of portability, so the people, when they change jobs, can take their health insurance policy with them. And preexisting conditions—millions of Americans will no longer be precluded from coverage because of a preexisting condition. This Senate should thank you both. America should thank you both.

I would be remiss if I did not register disappointment, as well, because we did pass on the floor of the U.S. Senate by a vote of 68 to 30, a sweeping change, to say that those who suffer from mental illness will not be discriminated against. A mental illness should be treated the same way as a physical illness.

Mr. President, 68 to 30, this Senate spoke with their votes and said, "No more discrimination." Yet, when we look at what came back from conference, through no fault of the Senator from Massachusetts and through no fault of the Senator from Kansas, what came back from the conference

committee on mental health is the square root of zero—nothing, not even the most modest achievement, not even the most modest advancement.

I am very pleased to join Senator DOMENICI and Senator WELLSTONE in cosponsoring a bill that seeks to address this question when we return in the fall. Let me just say again, Senator KENNEDY and Senator KASSEBAUM, I am confident, will be lions in that effort, as well.

I thank the Chair. I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Health Insurance Reform Act. There are three reasons why I support this bill. It makes health insurance portable—people can take it with them from job to job. It provides health insurance to people with preexisting medical conditions. And it makes health insurance more available to working Americans. I am pleased to vote for this bill.

Health insurance is a priority for Maryland's families. It's a top priority for me. I strongly support this commonsense health insurance reform. It's a safety net for working Americans and their families. This bill ends "job lock." Working Americans won't be afraid to change jobs. They no longer have to fear that they'll lose their health insurance coverage if they do.

I know a mother in Baltimore who supports her family in a manufacturing job. Her husband stays home and cares for their disabled child. She has been offered a higher paying job. But she can't take it. I think that's outrageous. She knows if she changes jobs that her son will lose the health coverage he so desperately needs. This bill is good news for people like her. She could make that job change under this bill.

This bill helps people who have preexisting medical conditions. They won't be penalized any longer by insurance companies. They can now get health insurance if they have a disease like diabetes. I am pleased that the bill has the potential to help millions of women and their families. The legislation will help a woman who starts a new job with an employer who provides health insurance.

Under the Health Insurance Reform Act, a woman or her family can't be denied insurance coverage. She and her family can't be denied coverage for a preexisting condition. A woman who is pregnant will get immediate coverage for pregnancy care even if she is already pregnant. Her newborn or adopted child will also receive health insurance coverage. This just isn't good for families. It makes good business sense.

The bill makes health insurance more available to working Americans. It goes along way to eliminating barriers to coverage. There are more than 40 million Americans without health insurance. More than 1 million working Americans lost their insurance over the last 2 years. Workers who are self-employed will be able to take a greater tax deduction for health expenses. It treats long-term care expenses as med-

ical expenses for the purposes of tax deductibility. This bill helps those who practice self-help.

I was disappointed that we were not able to enact comprehensive health insurance reform. After that debate came to a close, I pledged to continue the fight to reform health care—day after day and month after month. This is an important first step in that direction. I thank my colleagues Senator KASSEBAUM and Senator KENNEDY for their hard work in bringing us this far. But didn't get here without tremendous struggle.

Despite broad bipartisan support, this bill has been held up for weeks and months. But we persevered. I wanted to get this bill passed this year. And now we have done that. We have won the day. And helped many Americans gain accessibility and portability to health insurance coverage.

There is much more that I would like to be able to do to make insurance coverage affordable, accessible, portable and undeniable. I would like to see coverage for long-term care. I would like to see a comprehensive benefit package for women and children. But this is a very important step. We have a tremendous opportunity to improve the lives of many Americans. I am pleased to support this bill.

Mr. PELL. Mr. President, I am delighted that the Senate will today approve the conference agreement on S. 1028, the Health Insurance Reform Act. Since the House of Representatives has already acted favorably on this legislation, it will be only days before President Clinton can sign this important legislation into law. This new law will have been a very long time in coming.

We need not review the circuitous path that these health reforms have taken since the Clinton administration took over in 1993. But I believe it is fair to say that even these limited reforms could never have happened without the leadership of the President and First Lady, who brought into virtually every American home their passionate and persuasive pleas to reform our Nation's health care system. And without effective and devoted legislative warriors, led over the decades by Senator KENNEDY and joined in recent years by our distinguished Chairwoman, Senator KASSEBAUM, I believe that we would not be here today passing this bill.

Mr. President, as my 36 years on the Senate Labor and Human Resources Committee draw to an end, I could not be more pleased that we will finally see the fruition of so many years of work on health insurance reform issues. The bill before us will correct many of the flaws of our current system, including enhancing portability of insurance from job to job, and limiting the current practice of permitting exclusions for preexisting medical conditions. But, as I have said many times before, this bill does not accomplish many other things that need to be done. Most notably, the bill does nothing to make insurance more affordable to people

who need it, including those with preexisting medical conditions. Just today, I got a phone call from a constituent from Pawtucket, RI, who has a thyroid condition and who wants to know whether under this legislation, her insurer will be able to charge her more. I regret very much that I will have to tell her that her insurers can, indeed, charge her more. And I regret very much that I will have to report to the many Rhode Islanders who support the Domenici-Wellstone mental health parity provision that opposing forces prevailed in deleting this provision from the conference agreement.

Health care reform being the lightning rod issue that it is, I recognize—and I hope that the American people recognize—that while this bill represents only incremental change, it is an important step forward. We all know that much, much more needs to be done if every American is to have access to high quality, affordable health care. And I hope that my colleagues who will remain in the Senate and that those who succeed me will take up the challenge as early as possible in the next Congress.

In the meantime, Mr. President, I want to thank all of my colleagues on the Senate Labor and Human Resources Committee, who approved this bill unanimously just 1 year ago. And I would like to take this opportunity to thank the many committee staffers who assisted us so ably in crafting this important legislation. I offer a special tip of the hat to Senator KENNEDY's senior health adviser, David Nexon, who has been of such great assistance to me and to my staff over these many years.

I look forward to voting for this legislation and even more, to its becoming law.

Mr. COHEN. Mr. President, in the spring of 1995, the Medicare trustees, on a bipartisan basis, issued an urgent warning that the Medicare hospital trust fund will go broke by the year 2002, unless major changes are made to protect the system. Since that alarm was sounded, the Congress has been wrestling with ways to bring Medicare spending under control, in order to forestall impending bankruptcy and to strengthen Medicare for both current and future beneficiaries. This year the situation is even more critical. The 1996 trustees' report projects bankruptcy for the trust fund by the year 2001.

I stated at the time of the trustees warning that, at a minimum, we should pass legislation to crack down on the fraud and abuse that drives up the costs of health care for senior citizens and taxpayers. Estimates are that Medicare loses over \$18 billion each year to fraud and abuse, and that fraudulent schemes cost the entire health care system and our economy as much as \$100 billion each year.

Today, we are reaching a historic milestone by passing one of the most comprehensive and tough anti-fraud

packages ever contemplated by Congress. It has been a long road—over 3 years to be exact—but as the author of the antifraud and abuse provisions I am proud that this Congress, in a bipartisan way, did the right thing.

Specifically, my proposal creates tough new criminal statutes to help prosecutors pursue health care fraud more swiftly and efficiently, increases fines and penalties for billing Medicare and Medicaid for unnecessary services, over billing, and for other frauds against these and all Federal health care programs, and makes it easier to kick fraudulent providers out of the Medicare and Medicaid program, so they do not continue to rip off the system. Most importantly, the bill establishes an antifraud and abuse program to coordinate Federal and State efforts against health care fraud, and substantially increases funding for investigative efforts, auditors, and prosecutors.

In early 1993, I first embarked upon writing an antifraud bill. This was based on the recommendations of a health care fraud task force set up by the Bush administration and on an investigation by the Senate Special Committee on Aging, which I chair. That legislation became the basis for the fraud and abuse section of all the Republican health care reform bills proposed in 1993 and 1994 as well as for the administration's proposal. It was one of the few truly bipartisan issues contemplated during that contentious debate. In late 1993, the criminal provisions of my bill passed the Senate unanimously as part of the crime bill but were deleted during conference. Last year, my proposal passed Congress as part of the budget reconciliation bill and were also used as framework by the administration in its budget reconciliation proposal. As we all know, the President vetoed that bill. Today, it stands as an integral part of the Kassebaum-Kennedy health insurance reform proposal, finally on its way to the President for signature.

Health care fraud is an equal opportunity employer that does not discriminate against any part of the system. All Government health care programs—Medicare, Medicaid, CHAMPUS, and other Federal and State health plans, as well as private sector health plans, are ravaged by fraud and abuse.

Similarly, no one type of health care provider or provider group corners the market on health care fraud. Scams against the system run the gamut from small companies or practitioners who occasionally pad their Medicare billings because they know they'll never get caught, to large criminal organizations that systematically steal millions of dollars from Medicare, Medicaid, and other insurers. According to the FBI, health care fraud is growing much faster than law enforcement ever anticipated, and even cocaine distributors are switching from drug dealing to health care fraud schemes because the chances of being caught are so small—and the profits so big.

The inspector general of the Department of Health and Human Services, for example, has cited problems in home health care, nursing home, and medical supplier industries as significant trends in Medicare and Medicaid fraud and abuse. Padding claims and cost reports, charging the Government and patients outrageous prices for unbundled services, and billing Medicare for costs that have nothing to do with patient care are just a few of the schemes that are occurring in these industries.

It is time that we crack down—and shut down—these schemes that are bilking billions of dollars from Medicare and other health care programs. If we have asked honest health care providers to take cuts in reimbursement and asked Medicare and Medicaid recipients to pay more out-of-pocket costs to bring spending under control, we have an absolute duty to ensure the American public that their health care dollars are not lining the pockets of criminals and greedy providers who are manipulating the system through fraud and abuse.

The proponents of strong anti-fraud proposals responded to a mandate from beneficiaries that we need to control spending and ease the burden on taxpayers. The anti-fraud provisions in the Kassebaum-Kennedy bill did precisely that in a reasonable, measured manner that did not infringe on personal liberties nor penalize innocent mistakes.

The fraud provisions substantially mirror existing fraud statutes and are designed to give enforcement more precise tools to protect consumers against fraud and abuse. The proposal simply provides adequate resources for prosecutors and investigators, long strapped by budget cuts and under staffing, to go after serious patterns and cases of abuse. The bill closes loopholes in current law and provides criminal penalties for a defined set of serious and egregious violations, such as embezzlement and misappropriation of assets. Prosecutors would continue to have an extremely high burden to prove that the violations were committed knowingly and willfully.

Despite such a reasoned approach, we were inundated at the last moment by scare tactics and blatant mischaracterizations. There were full page ads depicting a doctor shackled in stocks claiming that doctors would land in jail for committing honest mistakes. There were editorials that grossly distorted the intent and scope of the provisions in a fashion that minimized the very real threat that fraud poses to our health care system and, indeed, to the solvency of Medicare. I am sympathetic to the concerns of physicians and other health care providers that the practice of medicine has become excessively regulated. I also believe that physicians raise legitimate concerns that too often managed care plans manage costs alone at the expense of quality of care for patients

and unduly limit physicians' decisions on how to best treat their patients. To blame all of these trends on the health care fraud provisions, particularly at the last stage in the negotiation process, was misguided and inaccurate. I am proud that my Republican and Democratic colleagues were not intimidated by these falsehoods and proceeded on a straight path to passing strong legislation.

As the author of these provisions, and as someone who has been involved in the negotiations of these provisions over a 3-year span, there are a couple of issues I wish to clarify as we debate final passage of the conference report.

First, the fraud and abuse control program established in the bill contemplates increased collaboration between the Department of Justice and the Office of the Inspector General [OIG] in health care law enforcement. It was not my intention, however, to expand the legal responsibility of the Office of Inspector General to private health plans. The jurisdiction of the OIG remains as it exists today, with only those augmentations of its authority specifically authorized in the bill.

Second, it was my intention that the costs covered by the funds appropriated to the Federal Bureau of Investigation provided for in the mandatory appropriation section include those associated with the hiring of additional agents and support resources as supplemental funding to address the burgeoning health care fraud problem.

Third, the moneys from the control account which are directed to the Office of the Inspector General are primarily intended to increase the ability of that office to investigate health care fraud and ensure that Medicare funds are properly spent. If the Office of the Inspector General is assigned the duty of preparing the advisory opinions, I would expect the Secretary and the Attorney General to consider a specific grant of funds for this purpose from any discretionary moneys in the control account as an addition to the amounts already available to the OIG. We would not want to see a reduction in the effort to investigate fraud, in order to provide staff for the advisory opinion function.

Finally, as the author of the original enhanced guidance to providers section, I would like to make some affirmative and declarative statements on the actual advisory opinion language. Although advisory opinions are an appropriate means of giving guidance to the industry on some issues, it is clearly unwise to have the agencies in the position of opining on the intent of the person requesting the opinion. To have a Government agency make an independent determination of what is in someone's head, based solely upon what that person chooses to tell the agency, is a highly questionable Government function.

That is why I want it clearly stated for the record of debate what has been

stated during conference and indeed what has been stated by advisory opinion proponents for the last 3 years that this issue has been debated. Advisory opinion advocates have stated definitively and consistently in conference and during many lengthy negotiations that the advisory opinion provision does not require a finding of intent. Not only do I adhere to that view, I will do everything possible to ensure while I am still here, and while this provision will be reviewed prior to implementation by the agencies, that such an expectation is followed. I will also ensure that after I am gone those who have oversight authority here in Congress, and those who are in the leadership, make sure that such an expectation is followed.

I know that the Attorney General has spoken to the Speaker of the House, the Senate Majority Leader, the chairmen of the House and Senate Judiciary Committees as well as numerous members of the Ways and Means Committee and Finance Committee about her concerns relating to the issuance of advisory opinions. None of the existing advisory opinion mechanisms available to the Federal Government require an independent determination of intent. To reiterate, statements were made by the conferees that this was the expectation here as well. I, therefore, expect the agencies to design a process for advisory opinions which does not require such a determination. I also expect that this advisory opinion process will sunset 4 years after the date of enactment of this bill as is required by the bill.

Mr. President, in conclusion, I would like to applaud members for this major antifraud victory. According to the Congressional Budget Office, these provisions will yield billions in scorable savings. I am convinced that the long-term savings are much greater, and that billions more will be saved once dishonest providers realize that we are cracking down on fraud, and that they can no longer get away with illegally padding their bills to pad their own pockets. For years, I have been saying that Federal law enforcement often feel like the mouse has outsmarted the mousetrap, because they lack adequate tools and resources to penalize egregious cases of fraud. While I know that this bill does not solve this enormous and complicated problem, I can state today that the mousetrap has sprung.

I would like to thank Senators ROTH and Dole, for all of their steadfast support and assistance over the years; Alec Vachon of the Finance Committee and Harry Damelin of the Permanent Subcommittee on Investigations, for all their hard work and perseverance; Sue Nestor, formerly of the Finance Committee, for all her hard work before she left the Senate; and Helen Albert, Mary Gerwin, and Priscilla Hanley, of my staff, for their dedication to passage of this important legislation.

#### MENTAL HEALTH PARITY

Mr. INOUE. Mr. President, when we in the Senate unanimously passed the

health insurance reform bill in April, we included an amendment offered by Senators DOMENICI and WELLSTONE that provided for parity coverage for mental health services.

I was proud of our vote. We did the right thing by ensuring that persons who suffer mental illness are treated fairly by insurance companies.

The conferees stripped the Domenici-Wellstone amendment out of the bill. However, by our April vote, this Chamber made a commitment to fairness in insurance coverage for persons with mental illness.

The health insurance reform bill is about fairness. Just as the bill now prevents insurers from dropping people's coverage when they change jobs or for other reasons, the bill should also have prevented insurers from discriminating against persons suffering mental illness. Leaving the Domenici-Wellstone mental health parity amendment out of the bill is wrong.

I know that the business and insurance communities raised some concerns about the cost and impact of the Domenici-Wellstone amendment with the conferees. I also know that Senators DOMENICI and WELLSTONE answered every concern raised.

While I view the CBO estimate for the cost of the original amendment as extremely reasonable, I understand that Senators DOMENICI and WELLSTONE offered a compromise to the conferees that would have provided parity coverage only for annual and lifetime caps.

This compromise slashed the cost of the original amendment by 90 percent. CBO determined that the compromise would increase private insurance premiums by four-tenths of 1 percent, of which employers would pay only sixteen one-hundredths of 1 percent.

My fellow colleagues, these figures are so low, that employers could meet this slight premium increase by raising their deductible by a mere \$5 per year.

I understand that insurance and business interests also raised concerns about the loss of workers' insurance due to the compromises' cost. Considering CBO's extremely low cost estimate, no one could possibly contend that passage of the compromise would cause workers to lose their insurance.

The compromise went even further. It permitted businesses to deliver mental health services through "carveout" arrangements and to adjust deductibles, copayments, and visit limits for mental health services as they saw fit. Small businesses would have been completely exempt from the parity standard.

I believe that Senators DOMENICI and WELLSTONE should be commended for developing a compromise that the conferees should have accepted.

Now, we have made a promise to persons suffering mental illness in this country. We have promised they will be treated fairly, just as this bill promises fairer health care coverage for other Americans.

I will personally join with Senators DOMENICI and WELLSTONE to ensure that we make good on our promise.

Mr. GREGG. Mr. President, to our citizens outside of the beltway, Washington politics seem to be the cause of all that ails us. The disease is easy to diagnose: Washington politics getting in the way of real cures. However, I am pleased to stand up today and say that maybe—just maybe—the games have paused as Congress finally passes this incremental step in health care reform.

Health care reform. Three words that have become part of many's vocabulary over the last 3½ years. Obviously, health care reform efforts have been going on since the delivery of health care became something of an organized system. But Federal health care reform has never seemed so necessary as it has in the past few years, and so viable as it is right now, for two critical reasons.

First—because the American public has been bombarded with rhetoric about all of the things that are wrong with their health care system.

Obviously, the U.S. health care system is not without flaws, but I think it is important that the treatment not be worse than the ailments. The "shot in the arm" posed by the Administration during the 103rd Congress in 1993 and 1994 was roundly rejected by the American public. The Health Security Act, drafted by the First Lady and her team of elite health care reform gurus, was 1,342 pages of promises for "universal coverage" for American citizens under a federal program of limited mandated benefits, price controls and tax increases. The tome sent up to Capitol Hill prescribed that centralized bureaucracies run this national program, that the Federal Government regulate medical schools, and that Washington decide what pharmaceuticals and medical procedures would be paid for.

This proposal would have resulted in a further disconnect between the patient and the payer. We have seen through other Federal programs that separating those making demands on the system from those paying for the care ends up both driving up costs and limiting the availability of services. This is not what the American public had in mind as it got involved in asking Washington for positive change in federal policies.

Once the glitter and hype was peeled away, Americans realized this proposal meant no choice in benefits or providers, higher taxes to generate revenue that would be shifted to pay for business subsidies and the like, and the inevitable result of government rationing of health care services. After a year of intense debate, the Health Security Act died a painful, but appropriate, death.

Second, having determined during the debate over President Clinton's Health Security Act what the American public does not want, we were given the opportunity to provide the people with what they do need. And what they need is the Health Insurance

Portability and Accountability Act of 1996—the legislation that has become known as the Kassebaum-Kennedy bill.

This legislation grew out of the testimony that was heard in countless Senate hearings on health care reform. It grew out of the recognition that some basic flaws in the regulation of health care caused American families monumental problems: workers are unable to carry their health insurance from one job to the next—portability. Individuals are subject to unfair discrimination in their access to health insurance if they have a medical condition that has required treatment before they joined that health plan.

These are simple, clear concepts. We know how to address them. However, we also know that it took us 3 years of policy development to get to the point where there was a bill that was appropriate in scope, and met the majority of needs our constituents told us they had. A long and arduous process had resulted in legislation that also obtained support from our Democratic colleagues—it looks as though we are close to allowing policy to triumph over politics.

This legislation was further improved with cultivation. During consideration of the bill on the Floor of the Senate, Members decided to act on some other ideas that had been long discussed as part of health care reform on both sides of the aisle. Medical savings accounts are not a new idea. More favorable tax treatment of long term care insurance is not a new idea. Increasing the self-employed tax deduction to 80% to provide equity is not a new idea. But these are all important ideas, that have received support on both sides of the aisle during the last several years of debate.

Why are important aspects of health insurance reform like MSA's suddenly so controversial? Because once again Washington politics got in the way of good policy work. Some Washington politicians have decided it is more important to score a political victory than to pass the type of health care policy that the American public wants: policy based on freedom of choice; policy that ends discrimination and promotes fairness and equity; and policy that forges a stronger relationship between patients, their physicians, and those who are payers for medical services, whether that payer be the individual controlling their own health care dollar, the Government, or an insurer who has offered a plan tailored to best meet the consumers' needs.

Mr. President, I believe that through a great investment of time and a tremendous amount of research we have found a cure for a great deal of what ails the American health care insurance system, and American citizens can begin to benefit from these long sought after changes to the health care system in the United States.

Mr. ROCKEFELLER. Mr. President, today hope is restored as we turn the desire for health care reform into re-

ality. When the Kassebaum-Kennedy bill is signed into law, which will happen very soon, some of the most maddening, often cruel problems with America's health care system will begin to get fixed.

When you look at all the hard work that went into getting this bill hammered out and on the brink of enactment, we could fill Olympic Stadium with the people who deserve some of the credit. But two individuals win the health reform gold medals in achieving this victory for millions and millions of Americans. The senior Senators from Kansas and Massachusetts have been true champions in leading what turned into a legislative marathon for health care reform. On behalf of the people of my State, and from my own heart, I thank both colleagues for their incredible feat.

Over the past few years, Americans had every reason to wonder if Congress would ever be capable of doing anything ever again about the health care problems that cause them so much pain. When the fight for comprehensive health reform failed, it was hard to see how we could ever get out of the ditch of partisan politics, special interests, and fear that did us in.

But while plenty of special interests and politicians wanted health care reform to die, millions of Americans were still waiting desperately for something to be done.

The Senators from Kansas and Massachusetts realized that we had to take a different tack. We had to target just a few of the most serious problems in the health care system, and offer solutions that made obvious sense.

It took persistence, patience, cooperation, and compassion to get this bill to this point today. With this legislation, millions of Americans will be able to get the health insurance they desperately want and need—or I should say that this will happen soon, since one of the compromises was that the insurance reforms won't be effective until July of next year.

When that date is reached, the rules will change. Working Americans will be freed from the trap that locks them into jobs and situations solely because a change will mean losing their health insurance. Preexisting conditions will no longer mean an endless nightmare for the millions of children and adults who have some illness or medical problem that's the very reason they need health care. Small employers won't be shut out from the health insurance marketplace.

When I talk about the Kassebaum-Kennedy bill, I can picture the West Virginians—parents, children, small business owners, health care professionals—who have begged for help.

Now, I can report back to the West Virginian who shared his agony over not being able to get coverage for his cancer, because it was branded a pre-existing condition, that the law will soon require an insurance company to sell him that coverage. Now, I can send

word to West Virginians who want to switch jobs, move to a different community, or even start their own business that they can hold onto their health insurance while they pursue any of these goals for themselves and their families.

And most importantly, now I can tell all West Virginians, and we can tell all Americans, that health care reform is not dead, it's not code for gridlock, and it's not a pipedream.

The Kassebaum-Kennedy bill also represents the art and necessity of compromise. Some proposals that would have helped numerous families were dropped, because opposition just couldn't be overcome.

And one proposal, to open the door for medical savings accounts, worries me. It is labeled a "demonstration," and I just hope that Congress will be honest and responsible about taking a true look at how people do when they turn from conventional insurance to tax breaks and catastrophic-only coverage. I know that most people don't plan on getting sick or having an accident or developing a serious disease, and I fear that an MSA will go from being a financial benefit into an overwhelming burden for many Americans when the unexpected happens.

But I also know that we won't achieve any positive health reforms without making concessions. And the work will always be difficult. There are too many insurance companies that want to chase after healthy customers, and avoid the sick. There will always be ideology that gets in the way of telling the private sector to do anything differently, no matter how many families are hurting. There will always be fear of the unknown, no matter how many problems exist in the present.

Today, however, let's celebrate what is getting done. And then tomorrow, let's move on to the next round of health care reform. Today, let's thank Senator KASSEBAUM and Senator KENNEDY for their gift to at least 25 million Americans, and many thousands of West Virginians. And then tomorrow, let's be inspired by their leadership to get even more done for millions more who still suffer because they can't get or afford decent health care.

Ms. MOSELEY-BRAUN. Mr. President, 3 years ago, this Senate blocked attempts to act on comprehensive health care reform. While that year's effort to achieve the major reforms that are so needed and so long overdue did not succeed, the problems that led the President to make that proposal have not disappeared. Far from it.

As a nation, we spend 15 percent of our gross domestic product on health care, over \$1 trillion. No other industrialized nation spends more than 10 percent of their GDP and the gap is widening. Yet today, there are over 40 million Americans without health insurance, and over 23 million of those Americans are employed. Over 1 million working Americans have lost health care coverage over the past 2

years. And 60 percent or more of all Americans worry about losing their current health insurance coverage. The case for reform, therefore, is perhaps even more compelling now than it was 3 years ago.

I am proud that today the Senate is taking a significant step toward reforming the health care system. The Kassebaum-Kennedy Health Insurance Reform Act is not the panacea for our health problems, but it does represent progress. It is an important step in the right direction.

This bill has many good features. Perhaps the most important is the limits on exclusions for preexisting conditions. This bill says that no one can be denied health insurance coverage for more than 1 year due to a medical condition. If there is any concern which every person has about health insurance, it is the "trap" of preexisting conditions. All too often, individuals find themselves excluded from coverage because of a preexisting condition. Some 81 million Americans have preexisting conditions that could affect their insurability. And more than half of all American workers are enrolled in health insurance plans that impose some form of preexisting condition exclusion. When you consider that most Americans will have seven or more jobs in the course of their working life, the preexisting condition problem affects virtually every American family. The General Accounting Office [GAO] estimates that 21 million Americans will be helped by the limits on exclusions for preexisting conditions included in this health care bill.

In my own State of Illinois, almost 8 million people have private health insurance and almost 2 million are uninsured. This bill will make a critical difference in their lives, and in the lives of similarly situated people all across the Nation.

This bill also includes portability provisions which will end "job lock" by making health coverage portable between jobs. For Americans who might want to leave their jobs to start their own businesses—or who might have to leave their jobs because of corporate restructuring—but who might have a preexisting condition or a family medical history that would currently make it difficult to impossible for them to purchase an individual health policy, this bill will make a huge difference. It will guarantee their access to health insurance.

Families with a small child suffering serious health problems will no longer face the prospect of being unable to obtain health insurance if the parents change jobs. It is tough enough for families to deal with a serious health problem affecting one of their children without having to face the additional problem of losing access to health insurance if they are laid off, restructured out of their jobs, or want to change jobs for new or better paying jobs.

Similarly, this bill will guarantee that small businesses with only a few

employees will not lose their group health coverage because one of their employees develops a serious health problem, as is the case now. Moreover, it will help make health insurance more affordable for those small groups, making it more likely that more small businesses will provide health insurance benefits for their employees. Furthermore, the increase in the deductibility of health insurance expenses from 30 percent to 80 percent for self-employed individuals will make health insurance more affordable for those thousands of people who operate their own businesses.

I am also pleased that members have been able to reach a bipartisan agreement on medical savings accounts [MSA]. Issues surrounding the availability of MSAs have held up movement on this important legislation too long. The compromise provision would provide many small businesses and self-employed individuals access to more affordable health insurance options. The MSA options will provide valuable information as to the impact of broader scale high-deductible health plans on cost control and general insurability.

The Health Insurance Reform Act represents a practical, caring attempt to deal with the real health care problems facing so many Americans, based on their everyday realities. This bill is all about incremental reform—but nonetheless real reform. It will help virtually every working American, as well as millions of Americans who are temporarily out of the work force. And it will work because it is based on what is actually going on in the world of people who need health care.

It's worth thinking a bit about those everyday realities of life. Statistics tell us that the average American works at a job about 4½ years. As I stated earlier, over the course of a working career, an average American working person could hold seven or more jobs. That fact alone makes it all too clear just how important it is for Americans to have portable health care coverage. And that fact alone is a good indication of how necessary it is to end preexisting condition restrictions that result in Americans having to pay enormous sums for new health care policies, losing access to health insurance altogether, or having to avoid—at virtually all costs—changing jobs in order to retain affordable health care.

Access to affordable health care is no less important to the American people than pension planning, not only because Americans can't enjoy their retirement if they are in poor health, but because they face being bankrupted by health care costs if they are not able to retain access to affordable health insurance. Being able to roll over insurance coverage, therefore, is just as important as being able to roll over pension savings. Maintaining health security, therefore, deserves the same level of attention we give retirement security, any measures that protect and en-

hance that health security deserve the same kind of consensus support.

Facing the loss of health insurance is a debilitating fear for all too many Americans, and without reform, it is all too great a risk for every American. This bill will end that fear, and it does so in a manner that makes sense and will work. It is far from the total answer to our health problems, but I do not think we should underestimate the importance we will be achieving once this bill becomes law.

I want to conclude by congratulating the chairman of the Labor and Human Resources, Senator KASSEBAUM, and the ranking democratic member of that committee, Senator KENNEDY, for their leadership and for all the hard work they have put in to bring the bill to this point. I want to particularly congratulate them for the bipartisan ship they displayed in putting this bill together.

Mr. DASCHLE. Mr. President, I am delighted to cast my vote for this bill—it is an important first step in ensuring health security for working Americans.

Health security has always been, and always will be, a Democratic priority. It is at the top of our agenda, and we won't give up until every American has access to meaningful, affordable coverage.

Unfortunately, even this small step was controversial.

Senator Dole promised 2 years ago that health reform would be the first thing Republicans would focus on if they controlled Congress. As it turns out, health reform was nearly the last thing they focused on. And only because we insisted they finally act.

This bill was approved unanimously in the Senate Labor Committee exactly 1 year ago on August 2, 1995. But for 8 months, secret Republican "holds" delayed it.

When the bill finally reached the Senate floor on April 18 1996, the Republican leadership tried to attach to the bill poison pills, like MSA's to kill it. Then, 4 more months passed as the Republican leadership tried to stack the conference committee to ensure that MSA's were included in the final bill.

In the meantime, the Republican leadership tried to water down the bill's portability provisions to guarantee that health insurance can be carried from job to job. But they did not succeed.

I am delighted and relieved these "delay and destroy" tactics were finally abandoned and that Republicans joined us in fixing the most badly broken parts of health system. Make no mistake—this bill is badly needed.

One Republican Senator told the Washington Post last year that "Health care is not very bright on anybody's radar screen, if it shows up at all." That's not what I hear in South Dakota and across the country. This issue is still very much on the minds of Americans.

When health reform failed in 1994, Americans' problems securing coverage

didn't go away. The problems fueling the health care and insurance crisis still exist today. Forty million people are without insurance, and insurance remains prohibitively expensive for far too many people. The public expects and wants us to tackle this issue.

The bill before us breathed new life into health reform efforts. Still, it does not come close to solving all our health care problems—it is a modest, incremental downpayment on reform.

But this bill does deal with one of the most pressing problems in our system—portability. Indeed, GAO says this legislation could help up to 25 million Americans each year, at no cost to taxpayers. This bill gives workers dismissed from their jobs or looking for better jobs peace of mind.

This bill means that never again will fear of losing their insurance trap people in their jobs.

Still, passage of this bill is the beginning of the debate, not the end of it.

Every single day in this country, 60,000 people lose their health insurance. Unfortunately, only a small fraction of that group will be helped by this legislation. We must do more to provide real health security to every American.

As we celebrate this bill's passage, let us pledge to tackle even more difficult issues. We must ensure that every child has health coverage. We must eliminate barriers to pregnant women getting prenatal care. We must make coverage more affordable for small businesses. We must ensure every child is immunized appropriately. We must end cherry picking by insurance companies. We must ensure rural Americans have the same access to quality care their urban neighbors enjoy.

In sum, we must guarantee every American access to affordable, quality coverage. This will be on the top of the Democrats' agenda in the next Congress.

Despite its limitations, this is an important bill. It's a victory for the President, who put this issue on our collective radar screens. It's a victory for Senators KENNEDY and KASSEBAUM, who worked so hard to make this happen. It's a victory for Democrats, who consider this a priority item.

Most importantly, it's a victory for America's working families.

Mr. KERRY. Mr. President, I am delighted that Americans will finally receive the benefits of the health care reforms contained in the Kennedy-Kassebaum bill—benefits which the General Accounting Offices estimates will help over 21 million people.

But I want to talk today about one particular person who will benefit from this bill, a woman from Florence, MA, who wrote me recently about her daughter. She supports this bill, she said, because her daughter has diabetes and the family had a terrible time finding health insurance that would cover her. In her letter she told me, "I think it's immoral for health insurance com-

panies to cut off coverage even while the people they cover are paying their premiums. No health insurance company should have the power to do this to their clients."

Millions of Americans have medical histories or preexisting conditions that make it difficult to get comprehensive insurance coverage. As many as 81 million Americans have preexisting medical conditions that could affect their insurability. Many people are locked in their jobs because they fear they will be unable to obtain comprehensive insurance in new jobs. And many people who work in small businesses often have trouble getting insurance especially if 1 employee has medical problems.

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

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

Finally, I want to applaud the vision, commitment, and political savvy of the distinguished chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, whom I greatly admire, and the distinguished ranking member of that committee, the senior Senator from my State, who has been a leader for his entire career on health care issues. To a very considerable extent we all are in their debt as we send this legislation to the President, because it was their commitment, stamina, and statesmanship that worked past what again and again appeared to be intractable differences of opinion among 535 members of the House and Senate. This is a tremendous victory for the American people, but it is also a richly deserved personal victory for both Senator KASSEBAUM and Senator

KENNEDY. I will proudly vote to send this bill to the President's desk for his signature.

Mr. FAIRCLOTH. Mr. President, Yesterday, when the Senate passed welfare legislation we took an important first step toward reforming our failed welfare system. Similarly, the health care reform bill before us today takes another important first step toward addressing some of the serious flaws that exist in our Nation's health care system.

We must ensure that this health care bill becomes a step in the right direction, a step away from excessive government regulation and a step toward a health care system based on free-market principles that benefits and empowers individuals.

I am very pleased that the conference report includes the foundation for the full implementation of Medical Savings Accounts, this is the single most important feature of this legislation.

When we debated medical savings accounts in April, opponents of the provision argued that anyone who want to include MSA's really wanted just to kill the Kassebaum bill. I believe that the conference agreement has proven them wrong.

This real issue behind medical savings accounts is a question of whether health care reform should move toward greater government control of our health care system, as President Clinton advocates, or whether health care reform should place more decision making authority in the hands of individuals. Once individual Americans have the power to control how their own health care dollars are spent, they will never allow the government to take that power back.

I am certain that when the four year trial period for medical savings accounts ends successfully, the Congress will overwhelmingly endorse MSA's as an unlimited nation-wide policy.

Mr. President, while this conference report is a first step, it is not too soon to consider what our next steps should be. We badly need meaningful reform of our medical malpractice and antitrust laws as well as full deductibility of health care expenses for the self-employed.

The health care reform conference report will improve the health care coverage available to individual Americans. But to preserve those gains, we must make sure that future health care legislation seeks free-market solutions, not big-government solutions.

Mr. SIMON. Mr. President, like most bills, the Health Insurance Portability and Accountability Act contains both good and more worrisome provisions. Some of the better provisions, such as portability, are not perfect and others of importance, such as mental health parity, are now completely absent.

One important provision in this bill that has not received much attention is administrative simplification. It sounds innocuous enough. It aims to

cut administrative costs by standardizing the way medical information is electronically stored and transmitted. No one is against cutting health care costs.

This standardization, however, accelerates the creation of large data bases containing personally identifiable information. All this information is transmitted over electronic networks. We need to be very careful about how safe and secure that information is from prying eyes. Some of it may be extremely sensitive and could be used in a malicious or discriminatory manner.

Not only do we need to hold this information securely, we also need to give individuals control over who actually has access to their medical records. We have been working in this Congress this year to try to come up with federal privacy laws for medical records. Senators BENNETT, LEAHY, KASSEBAUM, KENNEDY, DOMENICI, WELLSTONE and MACK have all been concerned with the need to craft meaningful privacy legislation. I commend their efforts in this area. It has been extremely difficult legislation to craft, however.

The States themselves have enacted some medical privacy laws. For instance, several States have passed laws that protect the confidentiality of mental health records or HIV status. We should not preempt such protections. I am glad to see that the preemption of State law in this area has been removed from this bill. I commend the Finance Committee, and particularly Anne Marie Murphy of my own staff, for their work in helping to rectify this problem.

I am still troubled by the possible time lag between the enactment of standardization and the development of privacy regulations by the Secretary of HHS. The way this provision is currently drafted, standards will be developed by standard setting organizations that are mainly business groups, solely on the basis of cost, within 18 months of enactment of this Act. HHS will submit to Congress detailed recommendations on standards with respect to the privacy of individually identifiable health information within 12 months of enactment of this Act. If Congress does not act on these recommendations within 36 months of enactment, the Secretary of HHS will promulgate privacy regulations within 42 months of enactment. There is, therefore, a possible time lag of 36 months between standard setting and privacy regulations.

This puts the cart before the horse. Obviously, privacy should come first. I don't think there is one Senator here who would like to have his or her own medical privacy play second fiddle to business costs.

Furthermore, this order of cost first, privacy later, may in fact be much more disruptive to business. For example, it does not make good privacy sense to use social security numbers as

a unique health identifier; it would be far too easy for others to decode these. It might, however, make for easy, cost-effective, standardization. If the standards developed need to be fully revised to take account of privacy concerns, then business will be forced to standardize twice, with probably twice the expense.

It makes much more sense to have the standards developed with both privacy and cost in mind and for the standards to be enacted after and in accordance with the privacy regulations. I would urge my colleagues to alter these dates and modify this section to couple these two very admirable goals of cost reduction and medical records privacy.

In general, although there are weaknesses in this bill and it is far, far less reform than we need, I am pleased that we are finally moving ahead with modest initiatives in the area of access to health insurance. Many Americans will be helped by this legislation. It should be clear, however, to anyone who looks at what is happening to health insurance coverage in this country that this bill is just a first step of many we need to take to meet the health care needs of our Nation. This is especially true in regard to children, where we will fall even farther behind as a result of the Welfare bill we just passed, and in regard to equitable coverage of people with mental illnesses.

Senator DOMENICI and Senator WELLSTONE deserve great credit for fighting for equitable treatment in coverage for the mentally ill. I hope they will win this fight in the near future. I will do everything I can to help in this effort before the end of this Congress.

I hope it will also not be long before the Senate acts to ensure universal access to health care coverage for all children and pregnant women. More than 9.3 million children and half a million expectant mothers in our Nation have no health insurance of any kind. Projections are that by the year 2002 we will have 12.6 million children without coverage and nearly 5 million more may be added to that as a result of proposed changes in Medicaid. When we passed the Kennedy-Kassebaum bill earlier this year, the Senate accepted a sense of the Senate resolution I offered stating that the issue of adequate health care for our mothers and children is important to our nation's future and that the Senate should pass health care legislation ensuring health care coverage for all of our nation's pregnant women and children. The Senate must be held to account on this resolution.

It is unacceptable in our rich country to permit these inequities to continue and to permit so many of the most vulnerable in our society to be denied assurance of even basic health care. While I applaud everyone who worked so hard to bring this agreement to the floor, I hope those who follow us in the next Congress will move on from here

to make more fundamental progress toward the fair, just and accessible health care system all of our citizens deserve in this great Nation.

Mr. DODD. Mr. President, the legislation before us today—the conference report on the KASSEBAUM/KENNEDY Health Insurance Reform Act—gives this body a unique and historic opportunity—to pass a sensible, incremental and common-sense health reform measure that will help millions of Americans.

Our actions today will give an estimated 25 million Americans a much needed and deserving helping hand.

This bill would guarantee to American working families—if you change your job you will not lose access to health insurance. This bill will limit pre-existing condition exclusions. It will guarantee renewability of health insurance policies. And it will help self-employed individuals, by increasing the deduction for health insurance expenses.

It's been a long difficult process to reach this point. But, finally these most basic health insurance reforms will become law, exactly 1 year after the Labor and Human Resources Committee unanimously reported the bill.

This bill will not solve every problem in our health care system, but it's an important first step. It is good public policy and it deserves the support of every member of this body.

Frankly, I feared that the majority party would prevent this day from happening.

This legislation passed in the Labor Committee 1 year ago, but objections by members of the majority party prevented this bill from receiving consideration by the Senate until the following April.

President Clinton came to the Congress in January and in his State of the Union address urged us to quickly pass this legislation. But still it took 4 months for the majority party to respond.

Finally, when the Senate was allowed to consider the bill it passed 100-0. These days, not too much in this body is agreed upon in a bipartisan manner. But the unanimous support for the Kassebaum/Kennedy bill is a clear indication that this legislation is an effective, fair, and most important, bipartisan measure.

But again, even after this unanimous vote, the majority tried to load the bill with controversial provisions, rather than move to quickly pass a bill we could all agree upon.

Mr. President, this legislation should have passed last year and if we had done so, the American people would already be reaping the benefits. However, I am pleased that reason prevailed and today we can finally deliver these important protections to the American people.

While this bill is an important step forward, I consider it only a first step in an ongoing process. Many problems remain in our health system. I won't

go into all of them today. But I do want to talk briefly about continuing problems in guaranteeing children access to health care.

Our system simply does not work for millions of America's children. We all lose when the worker of tomorrow is crippled for life by the untreated illness of today. We all lose when completely preventable diseases like measles ripple through the child population.

The General Accounting Office, in a series of reports issued to me this summer have reported on trends in children's health insurance that are cause for genuine alarm.

In 1994, the percentage of children with private insurance coverage reached its lowest point since the census began consistently tracking coverage.

In 1987, almost 74 percent of our Nation's children had private coverage. By 1994, that number had dropped to 65 percent.

While Medicaid has certainly helped millions of children who would otherwise be without coverage, the number of children without any insurance rose to its highest point in 1994. Ten million children under age 18, or 14.2 percent, were uninsured in 1994.

In States such as Alabama, Arizona, California, New Mexico, Oklahoma, and Texas, almost 20 percent or more of children are without health care coverage. That means 1 out of every 5 children in these States are lacking coverage.

Too many of our children do not have access to basic health. So, I hope, Mr. President, that no one thinks that we've made the health care system right, because we still have a long way to go.

Let us not forget that approximately 40 million Americans continue to lack health care coverage. Of those, 12 million are children under the age of 21. We still have a commitment to those people to make this measure the first, not the last, step on the road to meaningful health care reform.

So today, we have a historic opportunity to help millions of America's working families keep their health care coverage. It is a chance that must not slip away, and so I urge all my colleagues to join me in supporting this common sense and sensible reform measure.

Mr. LAUTENBERG. Mr. President, I rise in support of this conference report. This is a good first step in trying to provide affordable health care coverage to all Americans. This bill will ensure that people who move from job to job will be able to keep their health insurance, even if they have a pre-existing condition. It also will give the same protection to people who lose their jobs and must get health insurance on their own.

This bill also provides some tax incentives for families to better afford health care. The legislation increases the health insurance deduction for self-

employed individuals from 30 percent to 80 percent, bringing health care coverage within reach of many more Americans.

This bill also expands the tax deduction for nursing home and long term care coverage. This will help families better cope with the staggering costs of nursing home coverage for their loved ones. In some facilities, a year in a nursing home can cost over \$30,000.

This bill also includes an experiment in Medical Savings Accounts (MSA's). The Senate originally rejected the concept of MSA's by a bi-partisan vote. But the House Republicans insisted on a full blown implementation MSA's even though we have never even evaluated the efficacy of such health policies. Fortunately, this conference report only includes a limited demonstration of MSA's. This makes sense because this concept is untested. I am concerned that MSA's could drain the young, healthy and wealthy out of the traditional insurance system. This could leave old and sick people to cope with escalating insurance premiums, making it even tougher to afford health insurance. Therefore, I am pleased that this is only a time limited experiment.

Mr. President, unfortunately, this bill does not include the so-called mental health parity amendment authored by the Senators DOMENICI and WELLSTONE. This amendment passed overwhelmingly in the Senate but was completely dropped in conference. I hope that some day this amendment will become law so that we can do away with insurance policies that provide more coverage for physical illnesses than for mental illnesses. Families with members who have mental illnesses deserve this much.

Mr. President, while this bill makes improvements in our health care system, we must remember that this is only a first step. We have much more work to do in the next Congress to move toward providing health care coverage for all Americans. This should continue to be our goal.

Tragically, there are now 41 million Americans who do not have health insurance, up from 37 million in 1993. For the most part, these are working Americans. Eighty-four percent of the uninsured work, but they do not get health insurance at their jobs.

We must do something to rectify this. We must continue to enact legislation so that one day no family is without health security.

I yield the floor.

Mr. GLENN. Mr. President, I support the conference agreement on H.R. 3103, the Health Insurance Reform Bill. I am pleased that the Congress is taking long overdue final action on this legislation which is so important to working Americans and their families. As you know, it was approved by the Senate Labor and Human Resources Committee 1 year ago today, and it passed the Senate in April. Once again, I would like to commend Senator KASSE-

BAUM and Senator KENNEDY for their untiring efforts to work with our colleagues and all interested parties to forge the bipartisan bill we will pass today and send to the President for his signature.

The bill we are passing today is not comprehensive health care reform, but it is an important step forward in addressing problems in our current health insurance system. People who maintain continuous health insurance coverage will not be denied insurance for preexisting conditions, after one initial 12-month exclusion, even if they change jobs or insurance plans; and individuals who lose their jobs or change jobs will be guaranteed the opportunity to continue their insurance through a group or individual plan.

A compromise was made on medical savings account [MSA] provisions passed by the House of Representatives but rejected by the Senate. The bill provides for a four year pilot program in which up to 750,000 taxpayers with high-deductible health insurance plans can make tax deductible contributions to a medical savings account. At the end of the 4-year period, Congress would have to vote to expand the MSA program.

This legislation also increases the health insurance deduction for self-employed individuals from 30 percent to 80 percent over a 10-year period, provides for a medical expense deduction for long term care insurance, and allows terminally ill individuals to receive tax free benefits from their life insurance.

I regret that the Domenici-Wellstone amendment, which passed the Senate, was not included in this conference report nor was any compromise that the sponsors proposed. This amendment would require private health plans to provide medically necessary mental health services that are equal to the medical services provided. A great deal of progress has been made in diagnosing and treating mental illnesses, and I believe that we should provide health insurance coverage that will make this care affordable to people who need it. I will work with my colleagues during the remainder of this Congress to ensure that in the future people with mental illnesses have equal access to the care they need.

The Health Insurance Reform Act will provide peace of mind to many working Americans who have health insurance but fear losing it, and it is a major improvement in our current health insurance system.

PROVIDING TAX EXEMPTION TO STATE HIGH RISK HEALTH INSURANCE POOLS

Mr. COCHRAN. I am pleased that the conference report for the Health Insurance Reform Act includes a provision which confirms the availability of the Federal tax exemption for State health insurance risk pools which has been pending in Congress for the last several years. The purpose of a health risk pool is to make available health and accident insurance coverage to individuals

who, because of health conditions, would otherwise not be able to secure health insurance coverage. Health risk pools are one option contemplated by the Health Insurance Reform Act that States could implement as part of their health care reform efforts to seek to ensure access to health insurance.

Since 1976, 28 States have enacted legislation establishing a health insurance pool aimed at protecting uninsurable and high-risk individuals. Most of the pools were established in the last 10 years.

For example, the Comprehensive Health Insurance Risk Pool Association Act was enacted by the Mississippi State Legislature during the 1991 legislative session and became effective April 15, 1991. At that time Mississippi became the 25th State to enact such legislation. This act created the Mississippi Comprehensive Health Insurance Risk Pool Association to implement such a health insurance program. Members of the association include insurance companies, nonprofit health care organizations and health maintenance organizations [HMO's] which are authorized to write direct health insurance policies and contracts supplemental to health insurance policies in Mississippi. The association also includes third-party administrators who are paying and processing health insurance claims for Mississippi residents.

Over the past 4 years, the association has issued medical insurance policies to approximately 1,200 Mississippians. The association is funded by premiums paid by policyholders and quarterly assessments against members of the association. The assessments are necessary to supplement the premiums and operate the program on a financially sound basis. There is no public funding—State or Federal—involved.

Currently, over 100,000 individuals nationwide are members of a State health risk pool. Nationally, there are an additional 1 to 3 million people who are uninsured and uninsurable, and who could be eligible for inclusion in a State health risk pool.

As my colleague knows, unfortunately, several State health risk pools, including the Mississippi Comprehensive Health Insurance Risk Pool Association, have applied for and have been denied exemption for Federal taxation under Internal Revenue Code sections 501(c)(4) and/or 501(c)(6). Generally, the Internal Revenue Service's [IRS] rationale for such denial has been that the sole activity of the health risk pools is the provision of health insurance for individual policyholders. The IRS perceives health risk pools as a regular business ordinarily carried on for profit, which primarily provide commercial type insurance. Moreover, the IRS takes the position that health risk pools are primarily serving the private interests of its members and not the common interest of the community as a whole.

Would my colleague agree that the IRS's position is incorrect?

Mrs. KASSEBAUM. I would agree with the Senator.

Mr. COCHRAN. Is it not the case that health risk pools have been created by statute in the several States to serve a public function of relieving the hardship of those who, for health reasons, are unable to obtain health insurance coverage? Additionally, that these pools do not carry on an activity ordinarily carried on by insurance companies and not designed to make a profit? Further, that they are established by State statute and none of the net earnings benefit any private shareholder, member, or individual?

Mrs. KASSEBAUM. I would agree with the Senator.

Mr. COCHRAN. The Federal Government should serve as an impetus for, not an impediment to, State health care reform. We should do all we can to increase the ability of States to help the uninsured. The Health Insurance Reform Act recognizes the value of health risk pools and includes vital roles for health risk pools in their health care reform legislation.

Would my colleague not agree that in order to allow States flexibility in designing effective health care plans, State health risk pools should be exempt from taxation and that it was never the intent of Congress that health risk pools be subject to taxation?

Mrs. KASSEBAUM. I would agree with the Senator.

Mr. COCHRAN. Would my colleague agree that it is the intent of Congress through this legislation to clarify that health risk pools be exempt from taxation?

Mrs. KASSEBAUM. The Senator is correct. This legislation will clarify the intent of Congress that health risk pools should not be subject to taxation.

Mr. COCHRAN. I thank my colleague for her assistance. By passing this legislation, we will promote State-based health care reform by expressly confirming that State health risk pools are exempt from Federal taxation, notwithstanding the IRS' position. By clarifying the intent of Congress, the IRS should recognize this legislation as confirming the interpretation of existing law, and not creating new law, and accordingly grant tax exempt organization status to all health risk pools that have applied for such status.

#### ORGAN DONATION INSERT CARD

Mr. DORGAN. I am pleased that the conference committee on the Health Insurance Reform Act has included a small, but lifesaving provision that Senator FRIST and I offered as an amendment to the Senate bill. I am referring to the organ donation insert card provision.

This measure, which I first introduced in 1994, would require the Secretary of the Treasury to send out information about organ and tissue donation with each tax refund mailed in 1997. This provision will help give a new chance at life to the more than 46,000 Americans who are desperately

waiting right now for an organ or tissue transplant.

Many opportunities for a lifesaving organ donation are missed each year because family members hesitate to authorize organ or tissue donation when their loved one dies. By providing information to 70 million Americans next year, we can raise awareness about the need for donors and, in the process, we will save lives.

I do want to mention a concern I have about one of two technical changes made to the organ donation insert card amendment during conference. At this time, I would like to engage in a colloquy with Senator FRIST, a cosponsor of this Amendment, and Senator ROTH, the chairman of the Finance Committee, to clarify Congress' intent with regard to this provision.

The conference agreement alters my original provision to read that organ donation information will be included with tax refunds mailed in 1997 to quote "the extent practicable" unquote. I want to make it clear that I feel strongly that providing this information to millions of Americans is not only a cost effective way to save lives but is also a practical measure that does not pose an unreasonable burden on the Department of the Treasury.

Mr. FRIST. Senator Dorgan, is it true that the Treasury Department regularly includes insert cards with the refunds it mails each year?

Mr. DORGAN. The Senator from Tennessee is absolutely correct. This year, for example, taxpayers who receive a refund also received information about how to purchase Olympic commemorative coins. In 1994, an advertisement for World Cup Soccer commemorative coins was mailed along with refunds.

Mr. FRIST. It is my understanding that the cost to the Treasury Department of printing and inserting this information is negligible. Since the Federal Government already incurs this cost on an annual basis, I do not believe this would create a burden. Is that also your belief?

Mr. DORGAN. Yes, it is. I would like to ask the distinguished gentleman from Delaware [Senator ROTH], to clarify for us what the conference committee intended by making this technical change to the Senate's amendment.

Mr. ROTH. The conference committee's intent regarding this change was to ensure that there be no delay in the mailing of refund checks because of this provision. The language "to the extent practicable" originally read "to the maximum extent practicable" to address any potential administrative issues that may arise. For example, if the Internal Revenue Service ran out of organ donor cards we would not want to insinuate that the check could only go out if a donor card was enclosed. The Treasury Department specifically asked us to delete "maximum" from the language.

It was not the conference committee's belief that this provision should

cause a delay, and we fully expect that the Treasury Department will make every effort to ensure that all of the individual taxpayers who are mailed refunds in 1997 will also receive organ donation information.

Mr. DORGAN. Thank you Senator ROTH and FRIST. I want to again thank Senators KENNEDY, KASSEBAUM, and FRIST, Congressman RICHARD DURBIN, and the many supportive organizations who have worked with me to get this provision enacted.

Mr. President, I rise today in support of final passage of the Health Insurance Reform Act. It has not been an easy road to agreement on this bill, but for the sake of the American people, I am glad we were able to put aside our differences and reach a compromise on those issues where we do agree.

We are fortunate in our country to have one of the finest health care systems in the world. But unfortunately, not all Americans have access to that health care system or can afford the escalating prices of care.

This bill is not the total answer to those issues. In fact, compared to the health care plan proposed by President Clinton several years ago, which I did not support because I thought it was too bureaucratic, this bill is very, very modest.

Having said that, the Health Insurance Reform Act is a significant step forward in helping Americans who are routinely denied health insurance coverage through no fault of their own, and I am pleased to be a cosponsor and supporter.

Earlier this year, I received a heart-breaking letter from a mother in Williston, ND whose infant son was born with a rare disease called myelamacia. He often stops breathing and doctors have no idea how long he will live or what his quality of life will be. Michael is actually lucky because, right now, he is covered under his mother's employer-based health insurance plan.

But Michael's mother is desperately worried about how long his coverage will last. For one thing, Michael currently must live at the Anne Carlsen Center for Children in Jamestown, ND, which is quite a long distance from Williston. Michael's parents would like to move closer to their son so they can spend more time with him, but they are justifiably afraid that if Michael's mom switches jobs, Michael will lose his insurance coverage.

Michael's parents are not alone. A survey has found that one-quarter of Americans who would have otherwise switched jobs did not because they feared losing their health insurance coverage.

This legislation basically says to insurance companies, if someone has been a good customer of yours, paying their premiums regularly for years, you cannot drop their coverage simply because he or she gets sick or switches jobs.

This bill puts limits on the amount of time that insurance companies can

deny coverage for individuals with pre-existing medical conditions, even for those who change jobs or whose employer switches insurance companies. It also requires insurance companies to renew the health insurance coverage of individuals or groups as long as they pay their premiums. The bill will also help to ensure that those with pre-existing conditions will be able to purchase affordable individual insurance policies if they lose their group health coverage.

This bill also contains provisions which will help many of North Dakota's small business owners and sole proprietors. I have been fighting for one of these provisions ever since I came to Congress, so I am particularly pleased that we are acting to level the playing field for sole proprietors.

Under this bill, farmers and other self-employed individuals will be able to deduct a higher percentage of their health insurance premiums. Right now, large corporations can deduct 100 percent of their health insurance expenses, but sole proprietors may only deduct 30 percent of their health insurance premiums. This bill will gradually increase the amount that the self-employed can deduct to 50 percent by 2003 and to 80 percent by 2006. I would prefer that they be allowed to deduct all of their insurance costs, as corporations already can, but this will go a long way toward making health insurance more affordable for farmers and other self-employed individuals.

This bill also will allow some small employers and their employees to experiment with medical savings accounts, or MSA's. This is a highly controversial issue, and I'm glad we were able to reach an agreement that allows us to move forward on this legislation.

I think MSA's are an intriguing idea. Common sense tells you that making health care consumers think more carefully about the type and cost of care they receive will likely have some positive impact on overall costs.

At the same time, however, I do have concerns about the impact that MSA's could have on the traditional insurance pool. The trial approach taken in this bill will minimize any negative effects on the insurance market while allowing us to evaluate the value of MSA's.

Finally, I want to mention one more provision included in this bill. It is a small, easily overlooked provision which I offered, but it is one that will save lives, and I want to thank Senators FRIST, KENNEDY, KASSEBAUM, and the many other Senators, Members of the House of Representatives and supportive organizations who have worked with me to get this provision included. I am referring to the organ donation insert card provision.

This measure, which I first introduced in 1994, would require the Secretary of the Treasury to send out information about organ and tissue donation with each tax refund mailed in 1997. This provision will help give a new chance at life to the more than

46,000 Americans who are desperately waiting right now for an organ or tissue transplant.

Many opportunities for a lifesaving organ donation are missed each year because family members hesitate to authorize organ or tissue donation when their loved one dies. By providing information to 70 million Americans next year, we can raise awareness about the need for donors and, in the process, we will save lives.

In closing, I want to thank Senators KENNEDY and KASSEBAUM and both of the leaders for their tireless work to move this worthwhile legislation to this point. I am pleased to be a cosponsor of the Health Insurance Reform Act and to finally have this opportunity to vote to send it to the President for his signature.

Mr. BURNS. Mr. President, I rise today to speak about this health insurance reform legislation now before us. After months of gridlock on this bill, I am glad that the Senate finally has a chance to once again consider and pass this straightforward legislation. I must confess, however, that I find it puzzling that this bill has been held up for 3 months over the issue of medical savings accounts—particularly in light of what we are trying to accomplish by passing this legislation.

I am a strong supporter of medical savings accounts. I truly believe MSA's empower health care consumers by giving them the freedom to choose how they spend their health care dollar. Medical savings accounts provide the competitive choice which not only enables folks to keep pace with inflation, but counters the increases that will result from the guaranteed-issue component of this legislation. Nonetheless, I am pleased that this bill creates at least a full-blown test for the MSA.

Though it disturbs me to know that we could have sent this meaningful legislation to the President for his signature months ago, the delay on this bill has given me the opportunity to hear the thoughts of literally thousands of Montanans on this issue, folks who have written to me, folks who have called me, and folks I've seen while traveling in the State. Given all the input I have received on this legislation over these last few months, one thing is certain, the folks in Montana are reaffirming what they have been telling me for years—that they want the commonsense measures contained in this bill passed into law.

It is no secret that the health insurance system in this country is in need of some fine tuning. And I know that many of my colleagues on both sides of the aisle and in both Chambers of Congress would agree with that assessment. It is estimated that 43 million Americans went without health insurance in 1995 and roughly 23 million of those are workers. Though we can't guarantee every American health care coverage—nor would I ever support a

plan to do so—we can address the barriers that keep health insurance out of the reach of most of these folks; access and affordability. And this health insurance reform legislation does just that.

There is little doubt in my mind that the Health Insurance and Portability Act will greatly reduce the barriers to obtaining health insurance coverage for millions of Americans by: one, limiting an insurer's ability to withhold coverage for people with pre-existing medical conditions; two, making it easier for workers to get and maintain health coverage; and three, because of its provisions guaranteeing coverage, this legislation will make it easier for workers to change jobs or start their own businesses without fear of losing health care coverage.

This bill also contains many other important provisions. I am especially pleased with the significant improvements in coverage for pregnant women, newborns, and adopted children. This bill will also make health care more affordable by providing the government with the means to crack down on health care fraud and abuse in the health care system, specifically in the Medicare and Medicaid programs. What's more, self-employed people will be able to deduct from their taxes 80 percent of their health insurance premiums by the year 2006, up from the 30 percent which current law allows. In addition, this bill increases tax breaks for small companies. Those provisions are especially important for my State, where 98 percent of our businesses are considered small businesses and have fewer than 50 employees.

What so personally excites me about this bill is a provision that I introduced to this bill that requires reimbursement for telemedicine services under Medicare. As many of my colleagues know, I have been a strong advocate of telemedicine since my election to the Senate. I truly believe that establishing a telecommunications infrastructure is a part of the solution to providing affordable and accessible health care. Telemedicine is being used now in Montana, and across the United States, to bring health care services to those who currently don't have access. Getting health care services can be a challenge, especially when folks in my State and in other rural areas face situations where they are 180 miles away from a specialist. But even if specialists are willing and able to visit their patients via telemedicine, the Health Care Financing Administration will not reimburse them for those services.

Mr. President, HCFA has been reviewing demonstration projects to analyze the cost effectiveness of providing health care services via telecommunications and how to reimburse the health care providers. The HCFA study has no expected deadline, but the provision contained in this bill will require HCFA to complete its study and report back to Congress by March 1, 1997. If we pass this bill today, that

gives HCFA almost 8 months, in addition to the time they have already spent studying the issue, to determine the reimbursement of services provided via telemedicine. I don't feel this proposal is unreasonable. In fact, since this study is already ongoing, there is no cost associated with this. I am simply asking that HCFA finish the study and let rural areas and urban residents access the health care services that are currently out of reach geographically.

I realize that there are many Americans, including a number of folks in Montana, who have serious concerns with this legislation. Folks in my State seem to be particularly concerned that this legislation is just a step toward implementing the failed Clinton health care plan and will turn our health care system over to the Government. What's more, I have heard from a number of Montanans who are concerned about health insurance costs going up for all health care consumers. I appreciate and understand these concerns—I don't want to see either of these things take place. In fact, like most Americans, I am completely opposed, and I opposed then, the type of big-government, big-bureaucracy health care agenda that the Clinton administration proposed in 1994. Most people don't want a single-payer, government-controlled health insurance system deciding what is best for them and neither do I. That is why this bill only addresses those aspects of health insurance reform that folks have identified as important and necessary, and want to see passed.

Though I realize that this bill will not solve all the problems with our Nation's health care system—and I have concerns with certain aspects of the act as well—this legislation does take a giant step toward eliminating many of the worst abuses that exist in the private insurance market. Most important, it does all this without substantially raising costs for current health insurance policyholders, without meddling with those parts of the system that work, and without taking away the ability of States or the private sector to initiate their own reforms.

Mr. President, the Republican-led 104th Congress has once again given us an opportunity to change a system that has consistently failed millions of Americans and American families. I want to take a moment to thank the Republican leadership and all of those who have worked so hard, in both parties, to bring this legislation back to the floor. I also want to commend Senators DOMENICI and WELLSTONE for their work on mental health parity. Though this provision has been stripped from the bill, I believe their efforts will help move our country forward in treating the nearly 5 million Americans suffering from severe mental illness. I particularly want to commend the senior Senator from Kansas for leading the way on this issue. I also want to thank Senator KASSEBAUM for the time and dedication she has given

over the years to the citizens of our country. I am truly sorry that Senator KASSEBAUM will be leaving us at the end of the 104th Congress. Not only will the U.S. Senate lose a fine legislator but a fine person. On that note, because of Senator KASSEBAUM's efforts, and with the overwhelming bipartisan support this bill received in the House yesterday, it looks as though we are going to see our way clear and bring about these much needed reforms to our health insurance system.

In closing, Mr. President, I believe this health insurance reform legislation is the best hope we have to help America's—particularly Montana's—families and small businesses cope with burdensome health care costs. Not only will this legislation end job lock and the misfortune of pre-existing conditions that prevent thousands of Americans from buying coverage but it will also strengthen our health care system for years to come. In short, because this health insurance reform bill contains so many commonsense measures, I was pleased to support this bill when it first came before this body in April. And because the legislation that is again before us today will immediately and measurably improve the lives and protect the health of millions of American workers and families without putting folks out of business, raising taxes or turning the health care system over to the government, I am going to vote to send this bill to the President. I hope my colleagues in the Senate will do the same. This bill's time has come. Let's not squander the opportunity we have today.

Mr. CHAFEE. Mr. President, I am pleased to support the conference report accompanying the health care reform legislation. Members of Congress have worked for many years to pass health care reform legislation, and it has been a long road. I would like to congratulate the co-sponsors of this legislation, Senators KASSEBAUM and KENNEDY. At a time when most would have doubted that any health care reform bill could pass this year, they persevered. And this legislation is a fitting tribute to the senior Senator from Kansas who retires at the end of this year.

In recent years, we have fought to reduce the number of Americans without access to health insurance and slow the rate of growth in health care costs. Two years ago we had a nationwide debate on health care reform. There were many competing proposals, and ultimately we failed to reach a consensus on comprehensive health reform legislation.

In the wake of that failure, we have put aside our differences and taken a more incremental approach to health care reform. Rather than forcing dramatic change in our health care system, we are making small, yet important changes in the health insurance market which will give working Americans something very important—peace of mind.

Once this legislation is enacted, Americans will know that if they change jobs they will be able to move from one group health insurance plan to another without worrying that preexisting conditions will limit or exclude them from coverage. Once this bill is enacted, families will no longer face being locked into their jobs for fear of losing health insurance coverage. This bill would also assure that if a worker lost his or her job or accepted a job without health insurance coverage, they would have the opportunity to purchase a health insurance policy without limitations or exclusions for preexisting conditions.

This legislation also includes provisions introduced by Senator COHEN, to crack down on individuals who knowingly commit fraud in or health care system. Not only will this help to control health care costs in the private insurance market, but it will also reduce the fraud which plagues the Medicare Program. The bill includes provisions, authored by Senator BOND, to create uniform, standards for the electronic transmission of health care information in an effort to streamline and lower administrative costs.

Finally, the language includes important tax provisions to make health insurance more affordable for the self-employed by allowing them to deduct a greater percentage of their health insurance costs. It also clarifies that the cost of long-term care insurance is deductible—encouraging more Americans to purchase private long-term care insurance. I am hopeful that this provision will lessen the burden of long-term care costs on our Medicaid Program, which many seniors fall back on once they exhaust their life-savings on nursing home care.

I recognize that there are those who are disappointed in the final outcome of some of the provisions in this legislation. Probably the most glaring is the omission of the Domenici-Wellstone provision providing parity for mental illness. During Senate consideration of the health reform proposal, I voted against the mental health parity amendment as well as other key provisions. I did so to assist the managers of the bill in trying to keep the bill free of controversial provisions that could have slowed down the process. I also had concerns that the amendment was too encompassing. I am hopeful that Congress will act in the near future on a narrower version of this important legislation.

In conclusion, no one got exactly what they wanted on every aspect of this bill, myself included. Nonetheless, I think we all should take satisfaction in the passage of this legislation and recognize that great things often come from humble beginning. Thank you Mr. President.

#### CLARIFYING CERTAIN DEFINITIONS

Mr. HATCH. Mr. President, with respect to the corporate-owned life insurance provision in the conference agreement to the Health Insurance Port-

ability and Accountability Act of 1996, I would like to clarify the definition of a fixed and variable rate of interest as it relates to the deduction of interest on pre-1986 life insurance contracts.

It is my understanding that a life insurance contract with an option to elect a variable rate of interest, which has borne the same rate of interest since its date of issuance, is considered a contract with a fixed rate of interest. If the interest rate under this contract is changed to a variable rate as the result of the exercise of an election under the contract, the contract would then be considered a contract with a variable rate of interest.

Mr. ROTH. Yes, the Senator's understanding is correct.

Mrs. FEINSTEIN. In 1945, President Harry Truman proposed universal health insurance, putting on the public agenda, the goal of universal health insurance, a goal that still eludes us. Too many Americans find that just when they most need health insurance, it is not there. It is terminated. They are denied its purchase, because they are sick. They are determined to be uninsurable.

The bipartisan bill before us today does not provide health insurance to every American. We still face that challenge. But the bill before us today takes an important step toward making health insurance more secure.

This bill provides some health security in several ways:

**No Arbitrary Terminations:** Insurers will not be able to impose preexisting condition limitations for more than an initial 12-month period. This means that employees can change jobs without fear or facing a new preexisting condition exclusion.

**Guaranteed Access:** Insurers will be required to offer insurance to all groups, regardless of the health status of any member of the group and employees could not be denied group coverage based on their health status.

**Guaranteed Insurance Renewal:** Groups and individuals who have insurance will be able to renew their policies as long as they have paid their premiums.

**Individual Coverage Guaranteed:** People who leave their job where they have had 18 months of prior employer group coverage and who have exhausted their extended [COBRA] coverage would be guaranteed access to an individual policy.

#### NEED FOR THE BILL

The problems this bill addresses are real:

Twenty-three million Americans lose their insurance every year; 18 million people change insurance policies annually when someone in the family changes jobs.

Over 9 million Americans changed jobs in 1995; millions more wanted to. The General Accounting Office estimates that as many as 4 million employees are locked into their jobs because they fear that the insurer for the next employer will refuse to insure

them because of their health condition, something the industry has called a preexisting condition. GAO has said that 21 million Americans could benefit by prohibiting preexisting condition exclusions.

Small employers are often unable to get insurance because a few of the employees are ill; insurers refuse to insure. Small employers lack the leverage of big employers in negotiating good prices and policies. In California, 84 percent of the uninsured are in working families. Fifty-two percent of uninsured employees work in small firms.

And finally, there are 10 to 20 million Americans seeking to buy insurance on their own—individual policies. These individuals, who are not part of a large pool where risk can be spread out, find that insurers refuse to sell to them or price the policies so high they are unaffordable.

#### GENETIC DISCRIMINATION

I especially appreciate the inclusion of provisions barring genetic discrimination in health insurance, along the lines of S. 1600, a bill I introduced with Senator MACK.

Last fall, as cochairs of the Senate Cancer Coalition, Senator MACK and I held a hearing on the status of genetics research and use of genetic tests. We learned we are all carrying around between 50,000 and 100,000 genes scattered on 23 pairs of chromosomes and that every person has between 5 and 10 defective genes, often not manifested.

Approximately 3 percent of all children are born with a severe condition that is primarily genetic in origin. By age 24, genetic disease strikes 5 percent of Americans. Genetic disorders account for one-fifth of adult hospital occupancy, two-thirds of childhood hospital occupancy, one-third of pregnancy loss and one-third of mental retardation.

About 15 million people are affected by one or more of the over 4,000 currently identified genetic disorders.

We are learning virtually everyday about the explosion of knowledge in genetic science. We know that certain diseases have genetic links, like cancer, Alzheimer's disease, Huntington's disease, cystic fibrosis, neurofibromatosis, and Lou Gehrig's disease.

But understanding genetics brings a new set of problems. Witness after witness at our hearing raised fears of health insurance discrimination. And it is not just fear. It is also reality. We heard about insurers denying coverage, refusing to renew coverage, or denying coverage of a particular condition.

In a 1992 study, the Office of Technology Assessment found that 17 of 29 insurers would not sell insurance to individuals when presymptomatic testing revealed the likelihood of a serious, chronic future disease. Fifteen of thirty-seven commercial insurers that cover groups said they would decline the applicant. Underwriters at 11 of 25 Blue Cross-Blue Shield plans said they would turn down an applicant if

presymptomatic testing revealed the likelihood of disease. The study found that insurers price plans higher—or even out of reach—based on genetic information. Another study conducted by Dr. Paul Billings at the California Pacific Medical Center, reached similar conclusions.

Here are a few examples, real-life cases:

An individual with hereditary hemochromatosis—excessive iron—who runs 10K races regularly, but who had no symptoms of the disease, could not get insurance because of the disease.

A health maintenance organization that had covered a child since birth, denied therapy after the child was diagnosed with mucopolysaccharidoses [MPS].

A Colorado insurer terminated the policy of the family of a 3-year-old with the same disease.

An 8-year-old girl was diagnosed at 14 days of age with PKU [phenylketonuria], a rare inherited disease, which if left untreated, leads to retardation. Most States require testing for this disease at birth. Her growth and development proceeded normally and she was healthy. She was insured on her father's employment-based policy, but when the father changed jobs, the insurer at the new job told him that his daughter was considered to be a high risk patient and uninsurable.

The mother of an elementary school student had her son tested for a learning disability. The tests revealed that the son had Fragile X Syndrome, an inherited form of mental retardation. Her insurer dropped her son's coverage. After searching unsuccessfully for a company that would be willing to insure her son, the mother quit her job so she could impoverish herself and become eligible for Medicaid as insurance for her son.

Another man worked as a financial officer for a large national company. His son had a genetic condition which left him severely disabled. The father was tested and found to be an asymptomatic carrier of the gene which caused his son's illness. His wife and other sons were healthy. His insurer initially disputed claims filed for the son's care, then paid them, but then refused to renew the employer's group coverage. The company then offered two plans. All employees except this father were offered a choice of the two. He was allowed only the managed care plan.

A woman was denied health insurance because her nephew had been diagnosed as having cystic fibrosis and she inquired whether she should be tested to see if she was a carrier. After she was found to carry the gene that causes the disease, the insurer told her that neither she nor any children she might have would be covered unless her husband was determined not to carry the CF gene. She went for several months without health insurance because she sought genetic information about herself.

These denials not only deprive Americans of health insurance, they affect people's health. If people fear retaliation by their insurer, they may be less likely to provide their physician with full information. They may be reluctant to be tested. This reluctance means that physicians might not have all the information they need to make a solid diagnosis or decide on a treatment.

All of us are at risk of illness. We all have defective genes. I hope that the addition of my language can help ease the fears of many Americans and discourage insurers from using genetics as a reason to deny insurance.

#### AN IMPORTANT STEP

This bill, while it does not address all the problems, does take an important step. As a measure of its importance, yesterday morning when agreement on the bill reached the public, my staff got a call at 9:15 a.m.—6:15 a.m. California time—from a worried constituent, asking, "Will it help me?"

This bill can help make health insurance available to those Americans who want to buy it. It can bring peace of mind to millions of Americans. It can restore to insurance what insurance is supposed to be.

I hope we will promptly send this bill to the President for his signature and close this loophole in our erratic patchwork of health insurance.

Mr. HELMS. Mr. President, H.R. 3103, the Health Coverage Availability and Affordability Act of 1996, could very well sound the death knell for the past years of liberal efforts to socialize medicine. The truth is, it puts us well on our way to providing a meaningful health care reform for millions of working Americans.

H.R. 3103 guarantees that American workers can keep their health coverage if they change or lose their jobs, which will be greatly reassuring to millions of American workers having pre-existing conditions. Now they will be able to change jobs without fear of losing their health insurance. The portability provision, as it is called, enables employees to be covered immediately upon taking another job—regardless of their health status.

Mr. President, American dissatisfaction with the existing health care system has gained much of its momentum from the spiraling costs of medical care in the United States. In 1993, nearly \$940 billion was spent on health care, more than 14 percent of the GDP; this percentage has been rising steadily for years. Tax relief and medical savings accounts provide the best of all solutions by enabling patients to make their own choices with their own money. Workers and their families—not government bureaucrats—should decide how much to spend on health care and which health care benefits best meet their needs.

This bill, H.R. 3103, will partially correct a senseless disparity in the Tax Code concerning the deductibility of health insurance premiums. Whereas

under current law businesses are allowed to deduct such premiums, fully, as a business expense, self-employed workers receive only a 30-percent deduction—thereby increasing the cost of doing business. This bill raises to 80 percent the amount of health insurance they can deduct from their Federal income taxes, it allows the deductibility of premiums for long-term care policies.

Medical savings accounts [MSA's] expand consumer choice and ultimately will reduce health care costs by spurring competition and greater cost-consciousness in the use of health care. MSA's confer upon individuals financial incentive to spend their health care dollars wisely by turning part of the savings over to employees, in effect rewarding efficiency.

Mr. President, many private businesses are already using cash incentives to reduce health care costs while, at the same time, achieving great employee satisfaction with the health care afforded them. MSA's provide workers with a great deal of choice and freedom. A study by the Rand Corp. estimates that MSA's could help low-income workers reduce health care spending by up to 13 percent.

In a truly American way, MSA's harness free enterprise to promote sorely-needed efficiencies in the health care economy.

The fight over MSA's is fundamentally about power. MSA's return power to the American worker. Proponents of socialized medicine recognize that once MSA's are passed, they will dramatically become a bulwark against the liberals' hopes for a government-controlled health care system. Although this limited MSA program will not and cannot instantly solve the problem of the affordability and availability of health insurance, it will be a major step in the right direction.

Mr. President, the majority of Americans are calling for health care reform. I believe further progress can be made by further changes in the Tax Code. But this legislation puts us on the right track.

Mr. LEAHY. Mr. President, today over 62,000 Vermonters are included in the 40 million Americans who are without health insurance. Unfortunately, this number is increasing every year. Health insurance has simply become less available and affordable.

The health insurance reform bill before us today is a small step, but a step in the right direction. It puts an end to the practices of denying health insurance to people with chronic illness and denying the renewal of policies of people that become ill. It makes health care more affordable by increasing the health insurance tax deduction for self-employed individuals from the current 30 percent to 80 percent over the next 10 years and makes the cost of long-term care, such as expenses for nursing home and home health care, tax deductible just as other medical expenses are today.

The passage of this bill is a hard-won battle. I do have concerns, however, about the magnitude of the experimental provision to allow 750,000 health care policies to be withdrawn from traditional insurance system to create a medical tax shelter for routine medical bills. I plan to watch this demonstration closely to make sure that it does what it is intended to do—increase the number of insured—and not just increase premiums for people that have traditional health insurance policies.

While, as I said, this bill moves us in the right direction, I have to be clear that its passage is bittersweet. This bill does not address the larger issue of the skyrocketing cost of health care which will continue to be a looming problem that Americans face. And I am disappointed that the final bill does not include a provision to end discrimination against people with mental illness by requiring insurers to treat mental illness coverage the same as coverage for physical conditions.

I am also very concerned that the bill before us today calls for nationwide data networks for health information to be established within 18 months but contemplates delay of the promulgation of any privacy protection for 42 months. That is not the way to proceed. When the American people become aware of what this law requires and allows by way of computer transmission of individually identifiable health information without effective privacy protection, they should demand, as I do, prompt enactment of privacy protection.

Despite these concerns, the steps that this bill takes are long overdue. Two years ago, Congress was engaged in a great battle over how to get health care costs under control and make health care services available to all Americans. That battle heeded few results and left millions of Americans frustrated and disappointed that health care would continue to be out of their reach. The obstacles that prevented Americans from buying health insurance have not gone away and Congress now owes it to Americans to pass this bill to address some of the issues that these individuals face.

Mr. KERREY. Mr. President, I strongly support Senate passage of H.R. 3103, the Health Insurance Portability and Accountability Act of 1996. I am proud to have been an original cosponsor of its predecessor, S. 1028, the Kennedy-Kassebaum proposal that was originally introduced in July of last year. Although I do not believe that this legislation is as strong as the bill that passed the Senate last April, these changes are still long overdue. As many as 25 million Americans will benefit from these modest yet meaningful reforms to the insurance market—as, for example, they move from job to job or lose employer-sponsored coverage as the result of corporate downsizing.

This bill takes an incremental approach to health care reform by fixing the most egregious flaws in our em-

ployer-based health insurance system. I believe that we must move far beyond this bill, to comprehensive health care reform, in order to ensure that every American and legal resident knows that they have health insurance coverage. However, we must do what we can, now, to make the first needed changes to the American health care system.

Right now, we can help the many Americans who are currently excluded from meaningful health coverage because they are subject to preexisting condition exclusions or are unable to purchase an individual policy. This bill will address these significant problems.

This bill's great strength is that it will enable American workers to respond to our changing economy. Today, workers risk losing their existing coverage when they seek new skills or new opportunities. If they can find a replacement policy through a new employer or in the individual market, it may leave them under-insured. They can be subject to a preexisting condition exclusion that excludes a part of their body, or a significant health problem, from coverage, even though they have maintained insurance coverage for many years. Because of these constraints, many Americans don't dare switch employers or career-paths. This job-lock phenomenon, which has reportedly affected 25 percent of all Americans, would be eliminated by this bill.

In addition, the portability and renewability protections in this bill will give more Americans the health coverage flexibility they need to survive in our changing economy. This bill takes a responsible approach to ensuring continued access to health care—in the individual market if necessary—for workers who are displaced by corporate downsizing and other lay-offs. Because our economy is fluid and unpredictable, we need to fix these flaws in our employer-based health insurance system.

I believe that this is critically important legislation, but I also believe that this legislation could have been better. It should have included provisions requiring equitable treatment for mental health care—if not the parity provision originally championed by Senators DOMENICI and WELLSTONE, then the compromise proposal on benefit limits that Senator DOMENICI introduced today. I am also concerned that the portability provisions for group to individual coverage were weakened by the conference committee. I think that the original bill's guarantees for individuals who lose group coverage and seek insurance in the individual market took the right approach. Insurers should be required to offer a broad range of insurance policies to these customers. The conference agreement will allow insurance companies to offer only two policies—and even though the bill includes some requirements for these plans, I am concerned that insurers may be able to charge these individuals exorbitant rates.

I also can't pretend that this proposal will fix all of the problems in the American health care system. Many Americans will benefit from this proposal. But many of the 40 million Americans who are currently uninsured will not be among them. I am particularly concerned that so many children continue to be uninsured. In a recent study, the GAO analyzed the recent decline in health insurance among children and concluded that this decline in coverage has been concentrated among low-income children. This report also noted that the proportion of children who are uninsured—14.2 percent, or 10 million children—is at the highest level since 1987. I believe that all children should have health insurance, and that this insurance should cover children's complete developmental needs.

In addition, health insurance premiums will continue to be unaffordable for many, and the significant individual insurance market reforms will not affect people who are already uninsured. Our population will continue to age and Medicare and Medicaid spending will therefore continue to escalate. Overall health expenditures—Federal and State programs, private insurance and out-of-pocket spending which already consume more than 12 percent of GDP—will continue to grow.

We need to recognize that these insurance reforms represent an important step, but only a first step. Until all Americans are guaranteed health coverage, we cannot claim to have fixed the health care crisis. We clearly failed 2 years ago. We need to ensure that every American, regardless of their ability to pay or the generosity of their employer, maintains a meaningful right to health care. We also need to ensure that every American bears their individual responsibility pay for their health care—to the extent possible—and the information they need to make informed decisions about the quality and price of their care.

I applaud Senators KASSEBAUM and KENNEDY for their determination and hard work on this bill. Their efforts, over a number of months, to bring this proposal up before the Senate, and their perseverance since the Senate passed this bill in April, have been remarkable. I believe that the compromises included in the conference report reflect the legislation's original intent to improve access to health insurance for millions of working Americans. We still have worked to do, but this bill is a meaningful first step.

Mr. HATCH. Mr. President, it has been a long journey to this moment in history, as we prepare to approve the conference agreement on H.R. 3103, the Kassebaum/Kennedy Health Insurance Reform Act of 1996, and send it to the President for his signature. What we thought would be a sprint because the ideas made so much sense turned out to be a marathon.

As one of the original cosponsors of this important legislation, I am

pleased the impasse which prevented this bill from moving forward has been resolved.

After months of delay, the American people will soon realize the benefits of the time and energy that have been devoted in making this legislation a reality.

The Republican leadership in the House and Senate are to be commended for their steadfast commitment to reach an agreement with the White House on such contentious issues as medical savings accounts, insurance portability, mental health parity, and advisory opinions.

Overall, this legislation embraces many key elements of health care reform that have been pending in Congress for over five years, even before the 1994 health care overhaul proposal by President and Mrs. Clinton.

In my opinion, H.R. 3103 is a good bill. It represents meaningful, workable, and targeted health care reform that will provide a significant measure of assistance to millions of Americans.

The underlying insurance reforms included in the bill have now been enhanced by additional provisions that strengthen and improve the scope of the legislation.

Although much of the controversy over the past several months centered on issues unrelated to the insurance provisions, it is important that we not lose sight on the importance of the insurance reforms.

This bill will provide greater assurance to an estimated 25 million Americans that they can carry their health insurance coverage from job to job, without losing that protection, as well as obtain health insurance irregardless of preexisting health problems.

These protections are clearly the hallmark of the Kassebaum/Kennedy bill.

These protections are important because access to health insurance remains one of the fundamental problems facing Americans in today's health insurance market. The unfortunate fact of today's insurance market is that there is too little protection for individuals and families with significant health problems.

This legislation is clearly aimed at correcting that problem.

By restricting the use of preexisting limitations or exclusions on individuals, H.R. 3103 will increase access to health coverage as well as provide portability of insurance coverage for those wishing to change jobs.

Although these changes have been described as incremental by some, they are significant improvements in the manner in which Americans obtain health insurance. Through the enactment of this bill, Congress is sending a message that the status quo is unacceptable.

This bill will help a significant number of people and for that reason alone it is worthy of passage.

Aside from the insurance reforms, there are a number of other provisions

added in the House and on the Senate floor to the underlying insurance bill.

For example, the bill creates a newly coordinated Federal, State and local health care antifraud and abuse program that will dramatically increase the enforcement authority of the Departments of Health and Human Services and Justice.

As Chairman of the Senate Judiciary Committee, I have been particularly interested in the development of the antifraud provisions. It is clear from the hearings conducted in the Judiciary Committee as well as other committees in Congress that more effective law enforcement tools are needed to fight health care fraud.

The problems have been well-documented by the distinguished Senator from Maine, Senator COHEN, who developed the underlying legislation from which many of the fraud provisions of H.R. 3103 were developed.

I strongly support tough and effective measures to address fraud and abuse. But in our efforts to deter, detect and prosecute fraudulent behavior, we need to ensure that these efforts do not penalize innocent behavior or unintentionally bog down the delivery of health care.

The practice and delivery of health care is overwhelmingly conducted by honest and well meaning individuals who should not be suspected of wrongdoing merely because they are physicians, hospital administrators or other health care providers.

Creating a cloud of suspension over the entire health care community will not solve the fraud problem when only a few are guilty of wrongdoing.

We need to ensure that new antifraud and abuse provisions provide clear and unambiguous guidance on what constitutes fraudulent behavior.

Equally important is that antifraud provisions avoid penalizing innocent individuals for inadvertent or clearly innocent behavior.

I would remind my colleagues that antifraud proposals over the past several years have essentially proposed to expand the scope of existing antifraud and abuse laws applicable to health care providers. A clear case is the application of the antikickback laws which are, at best, complex and confusing and are not easily conveyed in the context of managed care.

Overly broad applications of these laws are particularly worrisome.

As an example, the legislation creates a new Federal criminal statute under title 18 of the U.S. Code against health care fraud. Fines and imprisonment for up to 10 years can be imposed for violating provisions of the new statute.

Within the practice of health care, legitimate disagreements regarding medical judgment and treatment decisions should not be cause for imposing legal penalties. It is critical that the antifraud provisions be carefully crafted to avoid punishing unintentional acts by health professions.

Accordingly, I am pleased the conference report contains language I proposed that specifically defines any new Federal health care offense to include both a knowing and willful standard of intent.

The addition of willful in this standard is essential to ensure that inadvertent or accidental conduct is not deemed criminal. The standard is now clear that criminal liability will be imposed only on an individual who knows of a legal duty and, intentionally, violates that duty.

Without this clarification, legitimate disagreements regarding a physician's medical judgment and treatment decisions could have been the basis for imposing criminal penalties.

Another issue which surfaced during consideration of the antifraud provisions concerned the impact on the provision of alternative and complementary health care.

As my colleagues know, I have championed the cause of alternative and complementary medicine. I am sensitive to concerns within this community regarding unintended negative implications of the fraud language on the provision and practice of nontraditional and nonmedical forms of health care.

I want to make it clear to my friends in the alternative and complementary medicine community that under this bill the practice of complementary, alternative, innovative, experimental or investigational medical or health care itself, will not constitute fraud.

I have specifically addressed these concerns in the legislative and conference report language to clarify any misunderstandings or ambiguity arising from the implementation of the fraud provisions.

In this regard, I want to thank the National Nutritional Foods Association, the American Chiropractic Association and the American Preventive Medical Association for their input.

While it is easy to focus only on the laudable benefits of the insurance provisions in this bill, because they are so important, we must not lose sight of the very significant tax provisions that are also included in this legislation. These provisions will work to make health insurance more affordable, to ease the financial burdens of long-term care, and to allow individuals to use individual retirement account funds for catastrophic health expenses without penalty.

Mr. President, I am very pleased that this bill increases the percentage of health insurance costs that can be deducted by the self-employed to 80 percent. This provision takes a huge step toward correcting what has long been a gross inequity. No one has ever been able to defend the policy of allowing corporations to fully deduct health insurance expenses, but allowing the self-employed to deduct only a small portion. At a time when we are trying to encourage the creation of new businesses, especially by those who have

been laid off from large corporations over the past few years, this lack of full deductibility has been a real disincentive.

Although this bill takes us most of the way there by getting to 80 percent deductibility, I want to note that our job is far from finished in this area. First, 80 percent is not enough. We must find a way to go the rest of the way and allow for full deductibility.

Second, under this bill, it takes us 10 years to go from the 35 percent that is deductible under the current law to the 80 percent level that this bill finally provides. I urge my colleagues to not sit back and relax on this issue. I hope that in the next Congress, we can find a way to get to full deductibility and sooner.

The long-term care provisions of this bill are also very important, Mr. President. As our population ages, millions of families will find themselves facing the problem of how to pay for needed health care for aged loved ones. Up until now, the Medicaid program has borne the brunt of these expenses in cases where the individual or family did not have the resources to cover the often very significant cost of nursing home care or skilled nursing assistance.

It is clear, however, that our Medicaid system will simply not be adequate to cover such expenses as we move into the next century and the public's capacity to pay for these huge expenses are pushed beyond the limit.

The bill before us begins to address this problem by making it easier for individuals and families to pay for long-term care insurance, easier for insurance companies to provide such coverage, and more beneficial to employees of companies that provide such insurance as part of an employee benefit package. These changes are key in moving the majority of the responsibility for long-term care expenses from the public sector to families and individuals.

Many of these tax provisions are very similar to changes I have long advocated in long-term care legislation. These provisions are, in fact, comparable to the long-term care provisions included in the quality care for life legislation I introduced earlier in this Congress. I believe these provisions will serve to begin to shift public attitude from one largely of government dependence to one of personal responsibility. Private insurance is vital to making this shift, and these provisions will all make it much easier for insurance to be a viable alternative.

Mr. President, I also want to comment on a small, but important, provision, that will help thousands of Americans who are hit by high medical expenses. This bill allows for penalty-free withdrawals from individual retirement accounts to pay medical expenses that exceed 7.5 percent of the taxpayer's adjusted gross income.

When the IRA concept was first enacted into our tax law, penalties were

placed on early withdrawals to discourage any use of the money beside that for which it is mainly intended—to provide funds for retirement. This was wise, Mr. President.

However, we also need to recognize that when devastating illness strikes a family, the need for cash is immediate. This provision helps in cases where a family is hard hit with medical expenses but has the means to help pay them in IRA funds. I also commend the provision that allows IRA funds to be used to pay for health insurance premiums in cases of unemployment. This provisions should help many families who might face the ugly choice of dropping health care coverage when the paycheck temporarily stops.

Also included in the conference report is a four year pilot project for medical savings accounts, or MSA's.

Beginning in 1997, MSA's are available to employees covered under an employ-sponsored high deductible plan of a small employer or self-employed individual. Taxpayers (including the self-employed) will be allowed to make tax-deductible contributions within limits of an MSA.

The number of taxpayers benefiting annually from an MSA contribution would be limited to a threshold level of 750,000 taxpayers.

I strongly support MSA's. I believe they will provide needed incentives for Americans to become more cost conscious as purchasers of medical services. MSA's will clearly give people more control over their health care dollars with the opportunity to save unspent MSA dollars for future health and long-term care needs.

Mr. President, overall this legislation represents an appropriate balance between the role of the Federal Government with the private insurance market in addressing the health-related problems currently facing many of our citizens.

However, we must recognize that we are breaking new ground with the enactment of this bill. The level of Federal involvement proposed in H.R. 3103 in the affairs of the historically private marketplace of insurance products does indeed raise concerns. We will not ignore these concerns in the implementation of this new legislation, and we will review carefully the long-term impact of these provisions.

Mr. President, I would also like to say to the gentleman from New Mexico, Senator DOMENICI, that I, too, am disappointed that the conferees could not work out language on mental health.

I voted for that amendment, because I strongly believe we need to do more to address the problem of mental health insurance coverage for the millions of Americans who suffer from mental illnesses that are as devastating to individuals and families as physical ones.

During our preconference sessions, I worked with my colleagues to see if there were alternatives to parity which

could be pursued in this legislation, because I truly believe that we are not doing enough on mental health. One idea I put forward was to direct increased resources to mental health through the Substance Abuse and Mental Health Services Administration.

I put this proposal forward in a good-faith effort to increase our federal presence on mental health. I understand the concerns of my colleagues that this would not go far enough when compared to the Domenici amendment, but nevertheless I regret that the bill does not contain any mental health provision. I will continue to work with my colleagues on this issue.

Nevertheless, on balance, I am convinced that this bill will serve the interests of the American people who have long sought responsible health insurance reform.

Finally, Mr. President, I would be remiss if I did not take this opportunity to recognize the efforts of the distinguished Chairman of the Committee on Labor and Human Resources, Senator KASSEBAUM, who is to be commended for her leadership and perseverance, in developing this legislation.

I can think of no fitting tribute to her than the enactment of this health reform bill.

Her dedication, hard work, and common sense have been hallmarks of her career in the U.S. Senate.

Let me also thank the ranking minority member, Senator KENNEDY, who has also been an instrumental player and leader in the development of this legislation.

I urge my colleagues to support the conference report to H.R. 3103.

Mr. KENNEDY. Mr. President, I yield myself the remaining 2 minutes.

Today, in spite of 18 months of Republican attempts to deny a pay increase to the most underpaid American workers, Congress will, at long last, send the President legislation to raise the minimum wage. Finally, 5½ years after the minimum wage was last increased, Congress is taking steps to ensure that all workers can earn a living wage.

This day has been a long time coming; 18 months ago, in February 1995, I introduced legislation to raise the minimum wage to \$5.65 an hour in three 50-cent increments, and joined Senator DASCHLE 1 month later to introduce S. 413, which would have raised the minimum wage by 90 cents in two increments—on July 1, 1995 and July 1, 1996.

A year ago, on July 31, 1995, I offered a resolution expressing the sense of the Senate that the Senate should take up the minimum wage increase before the end of last year. It received only two Republican votes and was defeated.

I was unable to get a hearing on our bill until December, and—month after month—the Republican chairman of the Labor Committee refused to schedule a markup session to consider it.

Finally, with the very skillful assistance of the Democratic leader, Senator DASCHLE, I was able to offer our bill as

an amendment to another bill in March, and obtained a strong vote in favor of a 90-cent increase in the minimum wage. The Republican leader at the time, Senator Dole, responded by pulling the parks bill from the floor of the Senate. He then tied the Senate in procedural knots for weeks, rather than allow a second vote on our bill.

It was only after Senator Dole left the Senate to campaign for the Presidency that we succeeded in scheduling a vote on our bill, and only after threatening to shut down the Senate. I hope every American remembers that this victory for the working poor became possible only after Senator Dole left Washington to become a private citizen.

Now 13 months have passed since the first of the increases in our original bill would have taken effect. The Republicans' delaying tactics have cost minimum wage workers almost \$4 billion. I hope every American remembers how tenaciously and how long the Republicans have fought to prevent this increase in the minimum wage.

By contrast, in vote after vote, my Democratic colleagues have been united in their support of fair wages for all workers. I want to salute them for that unity and thank them for their support throughout this long fight.

Thanks to the perseverance of my Democratic colleagues, the poorest American workers will see their incomes increase by 22 percent. By the time next year that the second increase takes effect, they will see their incomes increase by \$1,800 a year, enough to pay for 7 months of groceries or a year of community college.

Unlike the punitive welfare reform bill Congress has just passed, this raise in the minimum wage will actually improve the lives of millions of people. It will lift 300,000 people out of poverty, including 100,000 children, and save families across the Nation from having to make cruel economic decisions, such as choosing between keeping the utilities turned on and paying for groceries or medicine.

The real problem for much of the welfare population is their inability to find jobs that pay enough to support them and their families. If work does not pay a living wage, requiring welfare mothers to work will do nothing to end their poverty.

It is unfortunate that this good legislation for low-wage workers was coupled with a package of tax giveaways to large and small businesses. I regret that many objectionable changes to our tax laws are being made under the cover of raising the minimum wage.

On balance though, H.R. 3448 is legislation that should be passed. This long awaited raise in the minimum wage should be delayed no longer.

These are important factors for hard-working men and women in this country. This is an extremely important achievement and accomplishment. I look forward to casting my vote in favor of the increase in the minimum wage.

Mrs. KASSEBAUM. Mr. President, I say how very grateful I am to so many for all of the efforts that have gone into making the passage of the House insurance reform possible tonight.

It is not possible to name all the names, and I ask unanimous consent they be printed in the RECORD.

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

Labor Committee: Dean Rosen, Susan Hattan, Anne Rufo, David Nexon, Lauren Ewers.

Finance Committee Majority: Lindy Paull, Frank Polk, Julie James, Mark Prater, Doug Fisher, Gioia Bonmartini, Alex Vachon, Brig Gulya, Sam Olchyk, Donna Ridenour.

Minority: John Talisman, Patti McClanahan, David Podoff, Laird Burnett, Keith Lind.

Majority Leader: Annette Guarisco, Vicki Hart, Susan Connell.

Minority Leader: Rima Cohen.

Joint Committee on Taxation: Ken Kies, Mary Schmitt, Carolyn Smith, Cecily Rock, Brian Graff, Judy Xanthopoulos.

Congressional Research Service: Beth Fuchs, Madeleine Smith, Kathleen Swendiman, Jennifer O'Sullivan, Celinda Franco.

Thanks to the staff of: House Ways and Means Committee—particularly Chip Kahn, Elise Gemeinhardt, and Kathy Means; House Commerce Committee—Howard Cohan, Melody Harned; House Economic Opportunities Committee—Russ Mueller; Congressional Budget Office Staff; House and Senate Legislative Counsels—particularly Bill Baird, Ed Grossman, John Goetcheus, and Julie Miller.

Mrs. KASSEBAUM. Without the dedicated efforts of our staff, it would not have been possible. I mention Dean Rosen, Susan Hattan of my staff, and David Nexon and Lauren Ewers of Senator KENNEDY's staff, and many others who have spent countless time and effort.

It is an important piece of legislation. I am very proud we have accomplished it in a bipartisan fashion. It could not have been done without them.

Senator KENNEDY mentioned the minimum wage legislation which we will be voting on as well, in back-to-back votes. I will speak after those votes on something I regard very important to the success of both welfare reform and the minimum wage, and that is job training programs.

Without our willingness to be more innovative and skillful in how we handle job training problems, we will not succeed with the type of welfare reform or minimum wage that enables us to have skilled young people and retrained older people entering our job markets. I think that is an important component of the success of those bills.

I yield any remaining time, but say again how proud and grateful I am to all who have had a hand in the passage of this legislation.

#### CORRECTING THE ENROLLMENT OF H.R. 3103

The PRESIDING OFFICER. Pursuant to the previous order, the Chair announces the adoption of House Concur-

rent Resolution 208, just received from the House.

The concurrent resolution (H. Con. Res. 208) was deemed agreed to.

#### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report of H.R. 3103. The yeas and nays have not been ordered.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on the minimum wage increase, H.R. 3448, the Small Business Tax Relief Act.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report on H.R. 3103.

The yeas and nays have been ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 264 Leg.]

#### YEAS—98

Abraham	Feinstein	Lott
Akaka	Ford	Lugar
Ashcroft	Frahm	Mack
Baucus	Frist	McCain
Bennett	Glenn	McConnell
Biden	Gorton	Mikulski
Bingaman	Graham	Moseley-Braun
Bond	Gramm	Moynihan
Boxer	Grams	Murkowski
Bradley	Grassley	Nickles
Breaux	Gregg	Nunn
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Reid
Burns	Heflin	Robb
Byrd	Helms	Rockefeller
Campbell	Hollings	Roth
Chafee	Hutchison	Santorum
Coats	Inhofe	Sarbanes
Cochran	Inouye	Shelby
Cohen	Jeffords	Simon
Conrad	Johnston	Simpson
Coverdell	Kassebaum	Smith
Craig	Kempthorne	Snowe
D'Amato	Kennedy	Specter
Daschle	Kerrey	Stevens
DeWine	Kerry	Thomas
Dodd	Kohl	Thompson
Domenici	Kyl	Thurmond
Dorgan	Lautenberg	Warner
Exon	Leahy	Wellstone
Faircloth	Levin	Wyden
Feingold	Lieberman	

#### NOT VOTING—2

Murray Pryor

The conference report was agreed to.