Durbin	Kerry	Reed
Edwards	Landrieu	Reid
Feinstein	Lautenberg	Rockefeller
Graham	Leahy	Sarbanes
Harkin	Levin	Schumer
Inouye	Lieberman	Stevens
Jeffords	Mikulski	Wellstone
Kennedy	Moynihan	Wyden
Kerrey	Murray	

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—2

Hollings McCain

The motion was agreed to.

Mr. REID. I move to reconsider that vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BREAUX. Mr. President, I ask the attention of the managers. I understand there is an informal agreement to allow myself and my colleague, Senator FRIST, to proceed for 5 minutes as in morning business. If that is the case, I ask unanimous consent I be allowed to proceed as in morning business for 5 minutes followed by my colleague from Tennessee with the same request.

Mr. DODD. Reserving the right to object, is that with the understanding that at the conclusion of the 10 minutes I have the opportunity to offer my amendment?

Mr. REID. Reserving the right to object, if the Senator will withhold, we are attempting to get unanimous consent agreement so we can move on.

Mr. DODD. If the Senator from Tennessee and the Senator from Louisiana want to proceed, that is fine.

Mr. REID. If we get unanimous consent, the Senator can interrupt.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Louisiana is recognized for 5 minutes.

MEDICARE REFORM

Mr. BREAUX. Mr. President, I take this time with my distinguished colleague, Senator FRIST from Tennessee, and our distinguished colleague, Senator BOB KERREY, who served with me on the National Bipartisan Commission on the Future of Medicare, to offer what I think is the first ever comprehensive Medicare reform bill to be introduced since the advent of Medicare back in 1965.

We introduced a bill today. It is available for consideration by our colleagues. I hope this legislative effort becomes the marker for future discussions and debate on the question of what we do with Medicare. We introduced the bill today because we think it is absolutely essential that the Congress in this session take up the question of how to reform the Medicare Program that is currently serving 40 million Americans.

We did it essentially for two reasons. First of all, the program that the seniors now benefit from is not nearly as good as it should be nor nearly as good as it can be. Medicare today is noted more for what it does not cover than for what it actually covers. As an example, it does not cover prescription drugs; it does not cover eyeglasses; it does not cover hearing aids—three examples of things our seniors need and need very desperately.

So in addition to not covering these items, it does not cover a number of other expenses, including about 47 percent of the expenses for seniors who are not covered by Medicare insurance. They have to go out and buy supplemental insurance. So the program is not nearly as good as it should be, nor as good as we could make it.

The second reason we have introduced it is because, as bad as the program is, it is going broke. By the year 2020, one-half of all the revenues to fund the Medicare program are going to have to come out of general revenues. It was never intended to come out of general revenues. It was supposed to be paid from the payroll tax. But, by 2020, over half the costs of the program are going to have to come from general revenues. In addition, by the year 2015, the program is going to be insolvent. It is going to be broke. There is not going to be enough money to pay for the benefits the seniors currently get.

For those two reasons, we have built on what the Medicare Commission recommended, expanded on it, and improved upon it, to present to our colleagues the first ever comprehensive Medicare reform bill.

Basically, building on the Federal Employees Health Benefits Plan, we are saying about the plan that I, as a Senator, have, and what all of our colleagues and all the House Members and the other 10 million Federal employees have, is if it is good enough for them, it should also be good enough for our Nation's seniors.

What we have suggested is we pattern a new Medicare program based on the Federal employees plan. We would create a Medicare board, which would be appointed by the President, confirmed by the Senate, for 7-year terms. They would guarantee all the plans being submitted to serve our seniors would ensure quality standards. They would negotiate the premiums. They would approve the benefits package. They would make sure there are safeguards against adverse selection of only healthy seniors. They would provide information to our seniors.

This Medicare board would call upon the existing health care financing authority and all private groups such as insurance companies—whether it is an Aetna or a Blue Cross—all of these who want the privilege of serving the Medicare beneficiaries would have to compete for the right to do so. They do not do that today.

We would say to all these people who want to serve Medicare beneficiaries, they have to offer at least as much as what Medicare pays for today, at least as much but hopefully a lot more. We would require every group that wants to sell health insurance to Medicare beneficiaries to have to compete for the right to do so, compete on the price they request seniors to pay, and compete on the quality of service they make available to seniors.

In addition, every one of these plans would have to offer a high option plan which would contain a prescription drug plan. Prescription drugs today are as important as a hospital bed was in 1965, and maybe even more so because prescription drugs keep people out of hospitals. They keep people out of nursing homes. They make their lives better and the quality of their lives better than it would be, were they not getting prescription drugs.

So every one of these single plans would have to offer a high option plan and they would have to make that a prescription drug plan with an actuarial value of at least $800 per year, which would be indexed to the increase of costs of prescription drugs annually.

They would also have a stop-loss guarantee which simply means no senior would ever have to pay more than $2,000 out of their pocket.

We think, in essence, what this plan would do is bring about substantive, real reform to a 1965 model program which simply is not working as we move to the 21st century. We cannot continue to tinker around the edges. We need complete, total reform of the Medicare program. If we do that, then we can start talking about adding other benefits such as prescription drugs, which I think are very important and I strongly support. But you cannot add prescription drugs to a broken program. You have to fundamentally restructure it and reform it; bring about real competition where all these plans will compete for the right to serve.

That is what I have as a Senator. That is what 9 million other Federal employees have. I think we would see substantial savings brought about by companies having to compete for who can offer the best package at the best price. If they want to stay in a current fee-for-service plan offered by Medicare, they can stay right where they are. They don't have to make a change. But if they see one of these other plans offer them a better deal, they should take that better deal.

We hope our colleagues take a look at what we have offered. We think it is where we are ultimately going to end up. My colleagues, Senators KERREY and FRIST, have done a terrific job. We think this is where we should go as a nation.

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

Mr. FRIST. Mr. President, I have joined Senators BREAUX and KERREY here this evening to introduce a bill to comprehensively reform Medicare. The obvious question is, why is it necessary to reform Medicare? The very simple answer is that our seniors need and deserve better health care than what the current Medicare program can provide. The problem facing Medicare today is that, although we are in 1999, we are still relying on an antiquated system based on a 1965 model of health care. Medicare today is an inflexible system, it is an incomplete system, and it is a system that is going bankrupt. The rigidity of Medicare today limits access to new treatments and medical technologies, whether it is transplantation or treatment for hypertension.

The benefit package, in particular, is severely outdated, as evidenced by a lack of outpatient prescription drug coverage. I can tell you as a physician, that in order to deliver quality health care to our seniors, prescription drug coverage is imperative.

Most seniors today do not realize the Federal Government only pays 53 percent, or about half, of their overall health care costs. Our nation's seniors deserve better.

Right now, Medicare is micromanaged by Congress through 130,000 pages of regulations, 4 times the number of pages for the IRS code. Right now there are over 10,000 different prices in 3,000 different counties which are managed by the Health Care Financing Administration and Congress.

With 77 million baby boomers entering the Medicare program in 2010, we can expect a doubling of our eligible Medicare beneficiaries over the next 30 years. Medicare, in it's current form, is not prepared for and cannot endure these immense demographic changes. The program is already due to be insolvent by the year 2015.

This bill incorporates three main concepts. The first is health care security for our seniors. The second is choice, to meet beneficiaries' individual health care needs, as Senator BREAUX just outlined. The third is the establishment of a comprehensive, health care system that offers an integrated set of benefits.

We model this proposal on the Federal Employees Health Benefits Program. As the Senator from Louisiana just said, that is the way we in Congress get our health care. In addition, 9 million others get their health care through the FEHBP model. We have a long history, almost 40 years of experience with this model. All federal employees, including myself and my family, receive a description of benefits and choices, which outlines all the plans available in a geographic area, including the cost and quality of each plan. It is all right here in this booklet. This is what we as Members of Congress have today and it is what our seniors deserve.

This bill guarantees all current Medicare benefits, which is critical in maintaining health care security. Regardless of what plan a beneficiary chooses, HCFA-sponsored or private, all benefits in Medicare are guaranteed in a system based on choice and competition.

For the first time in Medicare, not only are outpatient prescription drugs offered to all beneficiaries, but all Medicare beneficiaries receive a discount for drug benefits. Full coverage is offered for beneficiaries below 135 percent of poverty. For beneficiaries between 135 percent and 150 percent of poverty there will be a discount based on a sliding scale, ranging from 50 percent to 25 percent. For all other beneficiaries who are above 150 percent of poverty, a 25-percent discount is offered.

This bill protects beneficiaries against high out-of-pocket costs. Most seniors do not realize today that if they get sick, there is no limit on what they will pay for care. We, for the first time, through enrollment in a high-option plan, limit out-of-pocket expenditures to $2,000 for core Medicare benefits.

This bill also offers low-income and rural protections. In our legislation, we specifically address the lack of private plans in certain areas, such as rural areas. In these underserved or rural areas, we make sure that affordable health care is available for seniors. We guarantee both the current Medicare benefits and prescription drug benefits.

We include beneficiary outreach and education efforts coordinated at the federal, state and local levels, to ensure timely, accurate, and understandable information, outlining affordable health care options, is available for all Medicare beneficiaries.

In summary, the bill we have introduced today promotes high-quality, comprehensive, integrated health care for our seniors that meets their individual needs. It assists all beneficiaries, especially those with low incomes, in obtaining comprehensive benefits, including prescription drug coverage. It increases the flexibility of the Medicare program to capture innovations in medicine. Whether it is new technologies, new breakthroughs in medicines, or new drugs, it is important seniors have access to these services, something they don't have today. This bill also ends congressional micromanagement. We have been struggling all week with fixes to a Balanced Budget Act from 2 years ago, trying to figure out how to correct the problems we created by micromanaging Medicare on the Senate floor. This just does not make sense. As I said, there are over 130,000 pages of regulations that we are trying to oversee here in Congress. Finally, we adopt a stable, competitive system based on the proven FEHBP model. This bill is based on competition, choice, health care security, and the need for comprehensive and integrated benefits, including prescription drugs.

I urge all of our colleagues to support this legislation as it is a critical focal point and sets the stage for future discussions as we address Medicare reform and modernization.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I join the distinguished Senator from Tennessee and the distinguished Senator from Louisiana in introducing this legislation. I want to emphasize something both Senators emphasized in an earlier press conference, and that is, the goal of this legislation has three parts: No. 1 is security, securing Medicare for beneficiaries today and beneficiaries in the future. It is a terribly important program, and the roughly 40 million Americans who currently benefit from this program need to know the law guarantees their benefits. This proposal actually secures their benefits even more than existing law.

Some people will attack this proposal, but we have been very careful in drafting this legislation to accommodate the beneficiaries' concerns that their benefits under a competitive model might be lower. This legislation says their benefits cannot be less than what is currently available under existing law, and there is, I say to those who are concerned about rural communities, as I know the distinguished occupant of the Chair is, there is a provision in here that says if competition does not bring alternative plans, plans other than the fee-for-service offering of the Health Care Finance Administration, that the cost to the beneficiaries cannot exceed 12 percent of the national weighted average. That would make it very likely that in rural areas there will be no penalty; indeed, it is likely to be they will be paying less than they do under the current law.

The second is that it is comprehensive and it offers comprehensive choice. There is a very important part of this legislation that, almost all by itself, is going to increase the satisfaction of citizens as they examine Medicare. That is, we establish a public board that has significant power not just over HCFA but over the plans that are offered in the marketplace.

Right now, HCFA writes the rules for competing plans; obviously, a conflict of interest. We do not want to decrease the ability of HCFA to offer plans. We have written this so HCFA can offer its fee-for-service plan and be competitive, but we want this board to set the rules and conditions under which competitive plans come into the marketplace, although we have written in the legislation guarantees, as I indicated earlier, to make certain the program is secure.

A public board is much more likely to give the public satisfaction than the current environment. All of us understand it is exceptionally difficult both to evaluate what is right and what is wrong when we are faced with a request from a provider or from a beneficiary, and it is even more difficult to

get HCFA to change its rules mostly on account of HCFA knowing that if it changes a rule, for example, in Nebraska, it is going to be changing rules for all other 49 States as well and could add significant costs to the program. So HCFA ends up being very inflexible, I argue not through any fault of its own but through the fault of the way the law is written.

The second objective of this legislation is that we provide comprehensive choice in a new legal environment, where the citizens will have more opportunity to make their case to a public board and the public board will have much greater expertise in making decisions about how to create a competitive environment that will enable HCFA to compete as well as private sector companies to come on line and offer more choice at lower cost to beneficiaries.

The third thing is we say that a prescription benefit should and must be considered in a comprehensive solution with Medicare reform. We cannot separate it. You cannot take a prescription benefit for a Medicare beneficiary and separate it and create an entirely new program without considering the need for comprehensive change in the program. It is much more likely that we will satisfy concerns of taxpayers that we not end up with a program that has an open-ended cost to it and much more likely, especially with the structural change of the board, that the rules will be written so the marketplace cannot only develop affordable products, but develop creative products that we are apt to see increasingly being asked for by our health care delivery system.

I am very pleased to be a cosponsor of this legislation. I hope we are able to get a markup in the Senate Finance Committee next year. I hope this becomes the basis for bipartisan reform. All too often this is a subject matter that lends itself to demagoging on both sides. Mediscare has become a verb and a form of political art. Hopefully, as a consequence of it beginning in a bipartisan fashion, it will end up in a bipartisan fashion, and the rhetoric will be much more tame and much more honest as well.

SOCIAL SECURITY

Mr. KERREY. Mr. President, I would also like to take a minute to talk about a companion program to Medicare, and that is Social Security.

A Social Security beneficiary will say Social Security and Medicare are in the same program, indeed, in the same act, in the same law. As far as the beneficiary is concerned, one program serves the needs of the other.

The General Accounting Office today released a public report which evaluates five plans that have been presented to the people, five plans that the people should look to and evaluate to answer the question: Is this a plan I support?

Let me list what those plans are. The first plan is the status quo, what I call in a nonpejorative fashion the do-nothing plan; the do-nothing plan calls for maintaining current law, waiting until manana, and fixing the program 10 years, 20 years from now. GAO evaluates the do-nothing plan, which, by the way, has 500 cosponsors at the moment in the House and the Senate. The GAO evaluated the plan that Senator GREGG, myself, Senator GRASSLEY, Senator BREAUX, and three others in the Senate have introduced. The bill number is S. 1383. The House companion bill to S. 1383 is H.R. 1793, a companion bill which has nine cosponsors. The GAO evaluated that bill as well.

The GAO also evaluated S. 1831. That is the President's reform plan. It has been introduced in the Senate. The GAO also evaluated the Archer-Shaw proposal, though Chairman ARCHER and Representative SHAW have yet to introduce their reform plan in the form of a bill. They evaluated the details of the Archer-Shaw proposal that were provided to them. And finally, GAO evaluated Representative KASICH's proposal. I do not know what its number is or how many people are on it, but it is a specific piece of legislation that has been introduced.

The GAO has done a very useful service, in my view, for a couple of reasons.

Reason No. 1 is that GAO finally identifies the status quo as a plan. In other words, you cannot not be for something. If you are not on a bill, you are supporting the status quo, you are supporting existing law. There are serious consequences to supporting existing law.

The GAO evaluated all five of these plans.

Secondly, GAO outlined for the first time the eight financial and budgetary criteria by which these five proposals ought to be judged by the American public. In the report, they ask:

First, does it reduce pressure of Social Security spending on the budget?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERREY. How much time did I have?

The PRESIDING OFFICER. The Senator had 5 minutes under a unanimous consent agreement to proceed.

Mr. KERREY. I ask unanimous consent that I be given 2 additional minutes.

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

Mr. KERREY. Mr. President, there were eight other questions on the financial side.

Question No. 2: Does it reduce the national debt?

Question No. 3: Does it reduce the cost of Social Security as a percent of GDP?

Question No. 4: Does it increase national savings?

Question 5: Does it solve the 75-year actuarial solvency problem? In other words, can it keep the promise to all 270 million beneficiaries both eligible today and out into the future?

Question No. 6: Does it create new, undisclosed contingent liabilities?

Question No. 7: Does it increase payroll taxes or place an obligation on general revenues?

And question No. 8: Are there safety valves to accommodate future growth in the program?

These are the key financial questions. The GAO has laid out an evaluation of the five dominant plans that have been offered by Members of Congress to the public.

In addition, GAO attempts to do an analysis of the administration and implementation issues in each plan.

Finally, GAO attempts to evaluate whether or not equity—generational equity—and progressivity have been taken into account in each plan. Equity and progressivity are always important. Social Security is a very progressive program to beneficiaries.

I hope that this GAO report gets a little bit of air time and a little bit of consideration by Members. I hope that particular attention will be paid to the do-nothing, status quo plan.

There are consequences to the do-nothing plan. The current status quo plan dramatically increases debt and interest costs in the future. This large debt will have a major impact on the tax burdens and interest rates of future workers. GAO comments very unfavorably when it measures the status quo approach against its eight financial criteria. There are very negative consequences for both current beneficiaries and future beneficiaries and the American taxpayers for doing nothing.

I urge my colleagues to take a closer look at this GAO report—and to really understand the cost tradeoffs between different approaches to Social Security reform. The battle cry all year long has been to save Social Security first. We created an elaborate lockbox mechanism so we could do it. My hope is that next year, with the assistance of GAO and this report, we will see an increasing number of Members who are enthusiastic about putting their names on specific legislation to reform Social Security.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. GRASSLEY. Mr. President, as in executive session, I ask unanimous consent that on Wednesday, following the vote in relation to the drug amendment to the bankruptcy bill, the Senate proceed to executive session for the consideration of calendar Nos. 399 to 400, the nomination of Carol Moseley-Braun to be ambassador to New Zealand and Samoa. I further ask unanimous consent that the Senate then immediately proceed to a vote on the confirmation of the nomination and, following the vote, the President then immediately be notified of the Senate's