

PROGRAM

Mr. GRASSLEY. For the information of all Senators, following the party luncheons tomorrow, the Senate will begin consideration of two Ninth Circuit judges who are on the calendar. There are a number of Senators who have expressed a desire to speak with respect to those nominations.

Under a previous order, at 5 o'clock p.m. on Tuesday, the Senate will vote on the confirmation of Executive Calendar No. 423, the nomination of Julio Fuentes. Senators can, therefore, expect the next vote to occur at 5 o'clock tomorrow afternoon. Votes are expected each day and possibly evening this week as the Senate attempts to finish its business prior to the upcoming adjournment.

ORDER FOR ADJOURNMENT

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order, following the remarks of Senator DURBIN.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRESCRIPTION DRUG COVERAGE—
A LIFELINE, NOT A POISON PILL

Mr. DURBIN. Madam President, I rise to express my disappointment that the Congress has been unable to move forward on a bipartisan basis on the prescription drug benefit under Medicare. There is a lot of talk with our surplus about potential tax breaks for businesses and families and individuals. In fact, it appears one of the proposals is going to be virtually unanimous, and that is the suggestion we take the cap off income for those who are under Social Security so people between the ages of 65 and 70 can work without penalty. That is encouraging. We should move on that and move quickly.

Another element of some debate but some agreement as well is the so-called marriage penalty. This is a feature of our Tax Code that was probably not there by design, but it reads that if two individuals making a certain amount of money should get married and their combined income puts them in a different and higher income tax category, they face a penalty.

Some have argued, with very little evidence, that many people do not get married because of this. I have my doubts about it. I do not know how many people visit their accountant be-

fore they buy the engagement ring, but I suppose it happens.

I do believe we can, on a bipartisan basis, come to an agreement that we will remove the so-called marriage penalty and do it in a way that is not unreasonable so we benefit those who would otherwise be disadvantaged.

There is an irony to this as well, of course, in that when many people get married, their combined income puts them in a lower tax bracket. This is, I guess, a marriage bonus, if you want to use the term. We certainly believe that should continue and that it should not be changed. I hope we can move in that direction.

Unfortunately, the House of Representatives recently passed a package on the marriage penalty that was really quite different than what I have described. First of all, as with so many other tax bills that have come from the other party over the years, the vast majority—two-thirds of the benefits of this so-called marriage penalty tax bill coming from the House—goes to higher-income couples; that is, couples making over \$75,000 a year. These higher-income couples get an average tax cut of close to \$1,000. Couples who earn less than \$50,000 receive an average of \$149. That is a very small percentage of the amount that goes to those in higher-income categories.

The price tag for the Republican marriage penalty bill coming out of the House—well, it's a whopping \$182 million, and almost half the benefits go to couples who do not face the marriage penalty in their taxes. In this process, this huge expense, mostly going to high-income families, crowds out a lot of very important priorities.

I hope we all can agree that if our goal is to eliminate the marriage penalty, it can be done for a fraction of what the House of Representatives did in their tax relief bill. There are other deserving tax benefit suggestions we should consider. At the top of these priorities is a prescription drug benefit for senior citizens.

On the Democratic side, our party believes we can address both the marriage penalty and the prescription drug benefit. The prescription drug coverage for our seniors is a lifeline. One of the leaders in the House of Representatives on the other side of the aisle said if we put the prescription drug benefit in his bill, he will consider it a "legislative poison pill."

For the seniors with whom I speak in Illinois and from across the Nation, prescription drug coverage is a lifeline, not a poison pill. House Majority Leader DICK ARMEY and other House Republicans who called it a poison pill illustrate the flaws in their priorities.

I hope we can come together. I hope my friends on the Republican side, particularly in the House of Representatives, will learn, as I have, about the skyrocketing costs of prescription drugs.

Prescription drug prices have been rising at an almost double-digit rate

for the last 20 years. A Families USA study shows these prices rising at four times the rate of inflation. Medicare beneficiaries' annual out-of-pocket drug costs tell the story: 38 percent of Medicare beneficiaries are spending more than \$1,000 a year on their prescription drugs. Many of them are on tight, fixed incomes. Eighteen percent of Medicare beneficiaries spend between \$500 and \$1,000, and 31 percent are paying out up to \$500.

For some people stepping back and saying \$1,000 a year should not mean much, I can tell them that for a person on a fixed income of \$600 or \$800 a month under Social Security, \$100 a month can mean a real sacrifice, and many senior citizens have to face those sacrifices on a regular basis.

When we held a hearing in Chicago on the prescription drug situation, there were seniors who told us that when they visited large supermarkets in the Chicagoland area that had prescription drug counters, first they would have to find out what their drugs would cost and then calculate what was left over for the groceries they needed to buy to fill their refrigerators and feed themselves in the days ahead.

That is a tough sacrifice and choice for anyone to make, certainly for one to decide between health and the basic necessities of life. One study showed fully 1 in 8 seniors faces this choice between food and medicine. That is unacceptable.

Addressing this problem is certainly not a poison pill, in Mr. ARMEY's words. Time and again, in each of my town meetings around the State, I heard how much money seniors have to spend to remain healthy. It was not unusual in any senior citizen setting to find someone spending \$200, \$300, \$400 a month or even more.

In Illinois, my constituents tell me they are having a tough time paying for their own drugs. Many are worried about whether their parents can afford the drugs they need to stay healthy.

I had a town meeting in Chicago recently. Julie Garcia told me of her concerns about her mother's health care needs. This was not an uncommon story. Many children are concerned about a parent who has been ill. They want to make certain their parents have access to prescription drugs to stay healthy.

Julie Garcia's mother was diagnosed with cancer 11 years ago and must still see her oncologist for routine visits every 2 or 3 months. Because of her cancer, Julie Garcia's mother was unable to buy individual insurance. When she was going through her cancer treatment, she was on what is known as a spend-down program through Medicaid. This paid for a large portion of her hospital bill, but she still incurred thousands of dollars in bills for which she was held liable. A great many of those thousands of dollars were for the cost of prescription drugs she needed.

So many seniors who are concerned about their health are often faced with

these terrible choices. I have run into seniors who do not fill prescriptions given to them by doctors. Some fill the prescription and take it every other day. Some will try to stretch the prescription out in other ways. Little do they know they may be losing all of the beneficial impact of the prescription drug itself.

One lady in particular had a double lung transplant. She found it was going to cost \$2,500 a month for her to deal with the antirejection drugs and other things necessary to stay healthy after this transplant surgery. She came to the conclusion she could not afford it. She decided, on her own, to cut back on the prescription drugs she would take. As a result of that decision—a monetary decision—she lost one-third of her lung capacity permanently, irreparable harm which could damage her for years to come—a money decision that resulted in a health disaster.

Those are the choices people are making every single day. It is not just the seniors, of course. Under Medicare, many who are disabled find themselves in the same predicament: Cutting back, mainly on drugs, sometimes because of large price increases. Over the last couple of years, it has gone from bad to worse. As I mentioned before, one study shows that one senior in eight is forced to choose between food and medicine.

What kind of drug price increases are we talking about?

In 1992, the average cost of a prescription drug was \$30. Six years later, in 1998, it had more than doubled to an average of \$78. Drug prices are increasing much more quickly than the pace of inflation.

A study by Families USA, a national health care consumer group, examined the prices of 50 drugs most often used by seniors. They tested the period between January 1, 1998, and January 1, 1999. Here is what they found.

For the 50 most popular drugs used by seniors, 36 out of those 50 drugs increased two or more times faster than the rate of inflation. More than a third of these drugs—17 out of 50—increased four times the rate of inflation.

Pharmacists in my State tell me that in the past they used to get a price increase once or twice a year. Now many of them face price increases on drugs on a weekly or monthly basis. The curiosity about this is the relative expense of these drugs.

We understand the pharmaceutical companies are in business to make a profit. If they did not, their shareholders would turn on the management and oust them and find someone who could make a profit. That happens all the time. That is the nature of capitalism, the nature of our free market, and the nature of business.

We also understand that pharmaceutical companies need to make enough money so they can invest in future research, to find the next cure, the next drug on which they can make a profit. We want them to do that. Of

course, success in doing that moves us closer to the day when we start eradicating many of the worrisome diseases Americans face.

Having said that—that we are going to concede the profit motive, we are going to concede the amount of money needed for research—I think there are still serious questions to be raised about the pharmaceutical industry, particularly when you compare the cost of these drugs in the United States to the cost of these drugs in other places.

There are several people now who live in the border States in the northern part of our United States who take buses, on a regular basis, into Canada. Senior citizens get on these buses for a daily excursion and make a trip across the border to buy prescription drugs.

Why would somebody want to leave the United States to go to Canada to buy drugs? Frankly, because the drugs are cheaper. For every dollar Americans spend on prescription drugs, that same drug costs 64 cents across the border—64 percent of what it costs in the United States—in England, 65 percent; in Italy, 51 percent; in Germany, 71 percent.

You ask yourself, are they different drugs? The answer is no; they are exactly the same drugs. Exactly the same thing sold in the United States—made by an American company, inspected by the Food and Drug Administration, approved for sale here—when it crosses that invisible border between the United States and Canada becomes a bargain.

A lot of these seniors from the northern States in our country have decided to go to Canada to fill their prescriptions to save money.

Why in the world would these same drugs cost less in Canada? Frankly, because the Canadian Government has said to the drug companies that if they want to sell the drugs in Canada, in the national health care system, they have to reduce the price. They take an average of the price increases around the world and say to the drug companies: This is as far as you can go. The same thing happens in Mexico. The same thing happens in virtually every other industrialized country in the world.

American drugs—developed in this country, sold to Americans—are sold at a fraction of the cost in other countries.

Let me say, that is not the only case where the American drug companies sell at a discount. They sell at a discount to the Federal Government for the Veterans' Administration, for example, and for the Indian Health Service. They bargain with them. The Veterans' Administration, at our hospitals, says to drug companies: If you want to sell these drugs, we demand that you give a discount for the veterans and thereby save the Federal taxpayers a few dollars. The same thing is true with the Indian Health Service.

It is also true that insurance companies, HMOs, and managed care compa-

nies bargain, as well. They will go to a drug company and say: If you want your drug to be on the formulary, the list of drugs that can be prescribed by the doctors in our plan, then you have to sell at a discount to this insurance company and these doctors. Of course, the insurance company makes out well in that decision, and the patient still gets the drugs, and the discount is there.

There is only one group who cannot bargain. It is the largest group in America when it comes to buying drugs—the Medicare beneficiaries. For what is supposed to be a free market system, the only place where it is a so-called "free market" is when it comes to seniors in America.

Isn't it ironic that these American drug companies charge the highest prices, for the drugs that they sell, to the elderly and disabled in our own country? We are a country which, through the National Institutes of Health, has generated research which has led to the discovery of these drugs. We are a country which, through its Federal agencies, such as the FDA, inspects and approves the manufacturing of these drugs to make sure they are of the highest quality. And with all of the benefits given to pharmaceutical companies under our Tax Code to reduce their tax burden and to increase the profitability of these companies in America, the one group they target to charge the highest prices turns out to be our seniors and our disabled in America. I do not think that is fair. I think it should change.

For example, Ciperol is a drug that is used to treat infections. The exact same bottle, the exact same pill, the same amount, made in the same manufacturing plant, costs \$171 in Canada but costs \$399 in the United States—more than twice as much.

What about the drug called Claritin? It is the same company, Schering-Plough. The shape of the bottle in which the pills are sold is different in Canada as compared to the United States, but it is still the same pill, made in the same facility, subject to the same Federal inspection. For a bottle of this pill, Claritin, in Canada, they charge \$61; in the United States, at your local pharmacy, \$218—more than three times the cost of the drug in Canada.

The bottom line is this. The rest of the world gets better deals, and Americans pay far more. This is keeping Medicare beneficiaries from being able to afford prescription drugs. It is just plain unacceptable.

If we were to decide this year in Congress to pass a prescription drug benefit under Medicare, I am sure we could devise a system that might work to provide benefits and access to drugs for a lot of seniors and disabled people across our country. If we were to create this benefit package and not address the underlying challenge of the increase in prices each year, each month, sometimes each week, and the

differential in prices between the United States and Canada, any prescription drug benefit program we devise would be bankrupted in no time flat.

The Medicare program, as we know, does not include a prescription drug benefit. The reason for this is, of course, when it was enacted in 1965, prescription drugs just didn't play that large a role in health care. But the world has changed. There are so many drugs now that maintain quality of life for people across America that we couldn't have dreamed up 35 years ago. Isn't it ironic that we don't pay for prescription drugs but if a person doesn't take his medicine and gets sick and goes into a hospital, Medicare will pay for the hospitalization. Wouldn't we want to invest a few pennies in prevention rather than spend hundreds of dollars in a cure that might involve some hospitalization? It seems obvious to me.

Too many seniors find it virtually impossible to comply with their doctor's orders. As we know, they have to make tough choices between what their doctor tells them is good for them and what they can afford, a choice no one should have to make. According to a report prepared for the Department of Health and Human Services, three out of four Medicare beneficiaries do not have dependable private drug coverage. Some folks on Capitol Hill, in the House and Senate, have suggested this isn't really a problem; they believe that many people have prescription drug coverage. They ought to get out of this Capitol Building into the real world.

I think what they will find is this: About a third of the people in the United States have exceptionally good drug coverage in their retirement. I found a lot of them in Illinois. Some of them are retired union workers and their families. Others have benefited from a great plan that takes care of their prescription drugs. They are the exception rather than the rule.

A third of the people have prescription drug coverage which is anemic at best; it barely pays the most basic bills and, of course, with large expenses, provides no relief to the seniors who turn to them.

Then a third are on their own. Those are the sorriest stories of all, where people are faced with actually paying out of pocket for every single thing they need when it comes to prescription drugs. That tells you, if we rely on the current system without looking to a new benefit, we will leave two-thirds of America behind. Those are the underinsured, when it comes to prescription drugs, and those who are basically uninsured.

Incidentally, those who have some sort of prescription drug benefit under HMOs in Illinois tell me over and over again that the copays and deductibles keep going up. Their coverage is virtually evaporating.

I met a woman in Chicago, Anita Milton of Morris, IL, who became disabled

in 1995 and, in 1996, had a bilateral lung transplant. Her prescription drug costs are \$2,500 a month. Now on Medicaid, she has to pay a certain amount each month out of pocket on drugs before she gets the first dollar in coverage. She has an income of \$960 a month. That is her only income. She pays up to \$638 a month out of pocket for the drugs she needs. Somehow she is supposed to survive on \$251 a month.

For many elderly people in that circumstance, they have little or no recourse but to move in with their children and try to survive. On a month when her drugs aren't covered, she doesn't meet her spending requirement, so she loses coverage for a full month. In other words, she only receives coverage every other month.

This story sounds bizarre, but it is not. It is virtually commonplace to see in America people who have lived a good life, raised their families, contributed so much to this country, paid their taxes, obeyed the laws, and now find themselves captives of a situation they cannot control. A pharmacist in Illinois told me what they are faced with—telling seniors the problems of prescription drug costs is really difficult to deal with. A pharmacist, Linda Esposito, came to my meeting in Chicago and said:

Virtually every day pharmacists are faced with older Americans who have assumed that their medications, the prescription that their physician has written for them, is covered by their supplemental Medicare benefits or Medicare itself. All too often they find the insurance isn't there when they really need it to be there.

Men and women who want to stay healthy, who want to stay independent, and want to stay out of the hospital find they cannot afford the medications to make that happen. That is why it is important we move forward with a comprehensive drug benefit to the Medicare program for all beneficiaries. America's seniors shouldn't have to pay more than everyone else for prescription drugs. As I have heard from Illinois senior citizens, prescription drug coverage offers a lifeline to them and not a poison bill. Congress must work to offer our seniors this lifeline this year.

The record of this Congress over the last several years has been scant, to say the least. There is just very little we even take seriously around here and consider by way of addressing problems that American families face.

It has been a frustration to me, as a Senator from the State of Illinois, to go home repeatedly and hear the people I represent raise issues they are concerned with, issues about education, what are we going to do in Washington to help improve schools in America. A bill we passed last week will have virtually no impact whatsoever on education in this country. We have not addressed the most basic requirements to make sure our teachers are well trained and qualified to teach, held accountable for their own standards in

their classroom; that kids are held accountable to make certain when they graduate, they can be promoted to another grade and succeed rather than just be pushed along; to try to upgrade and modernize the schools our kids attend so they can deal with modern technology. Has this Congress done anything to address that over the last 3 years? Sadly, the answer is no.

The President has proposed these things. This Congress has ignored them.

On the issue of health care, whether it is prescription drugs or a Patient's Bill of Rights, I am afraid the drug companies and the insurance companies have really ruled the agenda. We are trying our best to move this issue to the forefront, and those forces are trying their best to keep it out.

On the issue of peace and tranquility in our communities, we find people asking whether this Congress can respond with sensible gun control. The honest answer is, it is not likely. The President is holding a summit this week—I am glad he is—bringing in the leaders from Congress and challenging them to look anew at this issue of gun control.

When we have reached the point in America where first graders are killing other first graders with guns, we are dealing with a gun crisis. For those who blithely say we have all the laws we need, there is not an idea we should consider, we have everything taken care of, pick up any morning paper and tell me we have everything taken care of. I don't believe that is the case at all.

On issue after issue, whether it is education, health care, or sensible gun control, this Congress sits on its hands. The people across America ask of us, the world's so-called greatest deliberative body, when are you going to deliberate? What are you going to do? Sadly, the answer for the last 3 years is little or nothing.

I think that is what elections are all about. This coming election in November, the people across America can really issue their own report card on this do-nothing Congress. They can take a look back and see at the end of our work this calendar year what we have achieved. If we leave town without addressing the needs of education, if we leave town without creating a prescription drug benefit under Medicare, if we leave town without increasing the minimum wage from \$5.15 an hour to something that is more humane and more livable, if we don't do anything to cope with the health care crisis that has been generated because of HMOs and managed care, if we don't do something about sensible gun control, this Congress will rightly deserve a failing grade.

I think it is important we try to come together. For those who say there is no intention on this side of the aisle, the Democratic side, to really find solutions, I think the challenge is on the table to come forward and try

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on a bipartisan basis. I will be there, and I think many on my side will as well, to make certain this Congress adjourns this year with not only a record of accomplishment but a record of response for American families.

I yield the floor.

ADJOURNMENT UNTIL 10 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 4:29 p.m., adjourned until Tuesday, March 7, 2000, at 10 a.m.