

can't be ignored. We must do something about Social Security in the out-years. Republicans basically want to ignore Social Security, ignore the debt of \$5 trillion, and squander this surplus with rhetoric which champions more than \$1 trillion worth of tax cuts.

Remember, we have the lowest taxes in some 40 to 50 years, according to your tax category, yet most of the rhetoric on that side of the aisle has been: Lower Federal income taxes.

As I said on numerous occasions, paying down the debt is a tax cut for everyone. If we cut down the \$5 trillion debt, which means we pay less interest every year as the Federal Government's biggest obligation, other than military, we would save billions and billions of dollars every month. It seems to me that is where we should put our priorities. Paying down the debt is a tax cut for everyone. Interest saved from paying down the debt could be credited to the Social Security and Medicare trust funds, which would extend their solvency and give us flexibility to target tax cuts. In other words, let's do tax cuts we can afford.

Certainly, there are some tax cuts that are necessary. We can increase the standard deduction for both single and married filers. We can provide tax relief to married couples who suffer as a result of their having been married. We can offer a long-term tax credit, providing a deduction for long-term-care insurance premiums. In America today, people are living longer, more productive lives. As a result, there are a lot of people going to extended-care facilities. It has become a tremendous burden for people placed in these institutions. We need to provide some tax credits for people who buy insurance for their golden years. This tax cut makes it easier not only for the people who buy the insurance but for families who care for their elderly family members.

We need to increase deductions to make health insurance more affordable and accessible, especially for self-employed Americans. We need to increase the maximum amount of child care expenses eligible for tax credit. These are targeted, reasonable tax cuts that would more evenly distribute the load.

I think it is remarkable we can pick up the paper Sunday and get the good news. The good news is, Federal income taxes are the lowest they have been in America for 40 to 50 years. I think that says a lot for the 1993 Budget Deficit Reduction Act that passed without a single Republican vote; we passed it. The Vice President came to the Senate and broke the tie. As a result of that, America has been put on a long-term economic upturn. Not only has there been great economic news in that the economy is doing well for a record amount of time but, in addition to that, taxes are lower than they have been in 40 to 50 years.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I understand we have 45 minutes in morning business set aside.

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. Mr. President, if I could be notified after 12 minutes.

NEED FOR ACTION ON PRESSING HEALTH ISSUES

Mr. DORGAN. Mr. President, I want to talk about two issues we must address in this Congress before the end of the year, both dealing with health care. I will describe very briefly why these are important and why many have been pushing for some long while to try to get the Senate to act on this issue.

First is prescription drugs and Medicare. On Friday of the past week, I was in New York City with Senator CHUCK SCHUMER holding a hearing on the issue of prescription drugs and Medicare. I have held similar hearings in Chicago, in Minneapolis, and various places around the country as the chairman of the Democratic Policy Committee. We have had virtually identical testimony no matter what part of the country we were in. Senior citizens say drug prices are very high. When they reach their senior years, living on fixed incomes, they are not able to access prescription drugs that they need.

In Dickinson, ND, a doctor told me of a patient of his who had breast cancer.

He told the woman after her surgery that she was going to have to take some prescription drugs in order to reduce the chances of the recurrence of breast cancer. When she found out what the cost of the prescription was, she said: I can't afford to take these drugs.

The doctor said: Taking them will reduce the risk of recurrence of breast cancer.

The woman said: I will just have to take my chances.

Why did she say that? Because there is no coverage in the Medicare program for prescription drugs and because many of these prescription drugs cost a significant amount of money. Senior citizens in this country are 12 percent of America's population, but they consume 33 percent of the prescription drugs in our country.

Last year, spending on prescription drugs in the United States increased 16 percent in 1 year. Part of this increase is the increase in drug prices and part is greater utilization of prescription drugs.

What does that mean? It means that everyone has a rough time paying for prescription drugs, especially senior citizens who live on fixed incomes. Many of us believe that were we to create a Medicare program today in the Congress, there is no question we would have a prescription drug benefit in that program.

Most of these lifesaving prescriptions were not available in the sixties when Medicare was created. But a lifesaving

prescription drug can only save a life if those who need it can afford to access it. That is the point. That is why many of us want to include in the Medicare program a benefit for prescription drugs. We do not want to break the bank. We want to do it in a thoughtful way. We would have a copayment. We would have it developed in a manner that allows senior citizens to choose to access it or not. They could either participate in this Medicare prescription drug program or they could decide not to do it.

In any event, we ought to do something on this subject. Those of us who have come to the floor over and over again saying this is a priority believe with all our hearts this is something we should do for our country.

I will take a moment to describe part of the pricing problem with prescription drugs. The U.S. consumer pays the highest price for prescription drugs of anyone else in the world.

I ask unanimous consent to show a couple of pill bottles on the floor of the Senate.

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

Mr. DORGAN. Mr. President, these are two pill bottles. They are a different shape, but they contain the same pill made in the same factory, made by the same company.

This happens to be a pill most of us will recognize. It is called Claritin. It is commonly used for allergies. This bottle of 100 tablets, 10 milligrams each, is sold in the United States for \$218. That is the price to the customer in the United States. This pill bottle is sold in Canada. It is the same pill made by the same company, in the same number of tablets and the same strength, but this bottle costs only \$61. The same bottle of pills is \$218 to the U.S. consumer; to the Canadian consumer, \$61. By the way, the Canadian price has been converted into U.S. dollars.

One must ask the question: Do you think the pharmaceutical manufacturers are losing money in Canada selling it for \$61? I guarantee you they would not sell it there if they were losing money, but they charge 358 percent more to the U.S. consumer. I will demonstrate another drug.

These two bottles contain Cipro. It is a common medicine to treat infection. This time, the drug is actually packaged in the same type of bottle, with the same marking, same coloring, and containing the same pills made by the same company. Incidentally, both were from facilities inspected by the FDA in the United States. Cipro, purchased in the United States, 500 milligram tablets, 100 tablets, costs \$399. If one buys the pills in the same bottle in Canada, it is \$171. The U.S. consumer is charged 233 percent more.

We need to do something about two issues: One, we need to put some downward pressure on pharmaceutical drug prices and to ask the legitimate question: Why should the American consumer pay higher prescription drug

prices than anyone else in the world? Is that fair? The answer, of course, is no.

What does it mean to those who can least afford it? It means lifesaving medicine is often not available to those who cannot afford access to it. I can tell my colleagues story after story of folks who came to hearings I held in Chicago, New York, and all around the country describing their dilemma. There were people who had double lung transplants, heart transplants and cancers, talking about \$2,000 a month in prescription drug costs.

This is serious, and this is trouble for a lot of folks. We need to do something about putting downward pressure on prescription drug prices.

I have a solution for that, and that is to allow US pharmacists and distributors access to the same drugs in Canada and to bring it down and pass the savings along to the US consumers. We have to pass a law to do that. We are having a little trouble passing that bill.

Second, we need to add a prescription drug benefit to the Medicare program.

I will now turn to the Patients' Bill of Rights, which is the second piece of legislation we ought to get done. The Senate has passed a bill, some call it the "Patients' Bill of Goods" because it did not do much and it covered few people. The House passed a bipartisan bill, the Dingell-Norwood bill. Democrats and Republicans joined to pass this bill. It is a good bill.

The Senate and House bills are in conference. The House appointed conferees who voted against the House bill because the House leadership does not support the bipartisan bill that passed the House. We have a paradox of conferees from the House who, by and large, do not support the House bill, which is the only good bill called the Patients' Bill of Rights.

I will describe a couple of the elements of the Patients' Bill of Rights, which are so important.

First is the situation with Ethan Bedrick. One might say: You have done that before; that is unfair. It is not unfair. Health care denied to individuals is a very personal issue. When we have a framework for health care delivery in this country that denies basic health care services under certain HMOs and certain policies to people who need it, it is perfectly fair to talk to people in the Senate about the need to change public policy.

This is little Ethan Bedrick from Raleigh, NC. When he was born, his delivery was very complicated. It resulted in severe cerebral palsy and impaired the motor functions in his limbs. As you can see, he has bright eyes and a wonderful smile. When he was 14 months old, his insurance company curtailed his physical therapy. Why? Because they said he only had a 50-percent chance of walking by age 5. A 50-percent chance of walking by age 5 is not enough, they said. This is a matter of dollars and cents, so Ethan shall not get his physical therapy.

Is it fair to raise these questions? Of course it is. Should someone like Ethan with a 50-percent chance of walking by age 5 have an opportunity for the physical therapy he needs? You bet. Should we have a Patients' Bill of Rights that will guarantee him that access under an HMO contract? You bet.

We have in the House of Representatives Dr. GREG GANSKE, a Republican, and very courageous fellow, I might add. He is one of the key sponsors of the Patients' Bill of Rights in the House of Representatives. Dr. GANSKE is also someone who has done a substantial amount of reconstructive surgery.

He used this photograph, which is quite a dramatic photograph showing a baby born with a very serious defect, a cleft lip shown in this picture. Dr. GANSKE was a reconstructive surgeon before he came to Congress. He said he routinely saw HMOs turn down treatment for children with this kind of defect because they said it was not medically necessary.

I thought when I heard Dr. GANSKE make that presentation the first time: How can anyone say correcting this is not medically necessary?

Then Dr. GANSKE used a picture which showed what a correction looks like when reconstructive surgery is done. Isn't it wonderful what can happen with good medicine? But it can only happen if that child has access to that reconstructive surgery.

Is it a medical necessity? Is it fair for us to discuss and debate the Republican policy? The answer is clearly yes.

Let me also mention a case I have discussed before on the floor of the Senate, young Jimmy Adams. Jimmy is now 5. When he was 6 months old, he developed a 105-degree fever. When his mother called the family's HMO, they were told they should bring James to an HMO-participating hospital 42 miles away, even though there were emergency rooms much closer.

On that long trip to the hospital, this young boy suffered cardiac and respiratory arrest and lost consciousness. Upon arrival, the doctors were able to revive him, but the circulation in his hands and feet had been cut off. As you can see, he lost his hands and feet.

Why didn't they stop at the first emergency room or the second emergency room that was closer? Because the HMO said: We will only reimburse you if you stop at the emergency room we sanction. So 42 miles later, this young boy had these very serious problems and lost his hands and feet.

What are we to make of all this? We have very significant differences in the Patients' Bill of Rights between the House and the Senate. The differences in the bill of rights in the House and the Senate are the differences dealing with medical necessity. As used in HMO contracts:

Medical necessity means the shortest, least expensive or least intense level of treatment, care or service rendered or provided, as determined by us.

The fact is, health care ought not be a function of someone's bottom line. Young Ethan, young Jimmy, or the young person born with a severe birth defect, like the cleft palate defect of the type I described, ought not be a function of some insurance company's evaluation of whether their profit or loss margin will suffer by providing treatment to these patients.

A woman fell off a cliff in Virginia, dropped 40 feet and was rendered unconscious. She went into a coma and was brought into an emergency room and treated for broken bones and a concussion. They wheeled her into the emergency room on a gurney, while unconscious, yet the HMO later, after she survived, said: We will not pay for your emergency room treatment because you did not have prior approval.

This is a woman, unconscious, in a coma, wheeled into an emergency room, but she did not get prior approval. That is the sort of thing that goes on too often in this country in health care. It ought to be stopped. It can be stopped if we pass a Patients' Bill of Rights. Not if we pass a patients' bill of goods that someone tries to misname to tell their constituents they have done something when, in fact, they stood up with the insurance companies, rather than with patients. We need a Patients' Bill of Rights that really digs in on these issues: What is a medical necessity? Do patients have a right to know all of their options for treatment, not just the cheapest? Do they have those rights?

The piece of legislation that was passed in the House gives patients those rights. The piece of legislation the majority passed in the Senate does not. We are going to continue to fight to try to get something out of this conference committee that medical patients in this country, that the American people can believe will give them some basic protection, some basic rights, so that the kinds of circumstances I have described will not continue to exist in this country.

Health care ought not be a function of someone's profit and loss statement. People who need lifesaving treatment ought to be able to get it. The ability to access an emergency room during an emergency ought not be something that is debatable between a patient and an HMO.

Those are the issues we need to deal with in the coming couple of months—both of them health care issues, both of them important to the American people. I hope that as this debate unfolds, we will have some bipartisan help in trying to address prescription drugs in Medicare, No. 1, and, No. 2, passing a real Patients' Bill of Rights, to give real help to the American people.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I ask unanimous consent I be able to proceed in morning business for a period of 12 minutes.

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

BUDGET PRIORITIES

Mr. JOHNSON. Mr. President, this week the Senate Budget Committee is about to proceed with a markup of the budget resolution, an effort that is overdue. Nonetheless, it will be taken up this week. I think we should examine the context in which the budget resolution will be considered in the Senate.

There was some awfully good news for American families this weekend. It was announced this weekend that the Federal income tax burden for American families has shrunk to the lowest level in 40 years. Who says this? Studies by both liberal and conservative tax experts, the administration, and two arms of the Republican-controlled Congress confirmed that the Federal income tax burden for families in America is lower than it has been for 40 years.

The middle fifth of American families, with an average income of \$39,100, paid 5.4 percent in income tax last year compared to 8.3 percent in 1981.

A four-person family, with a median income of \$54,900, paid 7.46 percent of their income in income tax—the lowest since 1965. And a median two-earner family, making \$68,605, paid 8.8 percent in 1988, which is about the same as in 1955.

In fact, one-third of American families no longer pay income tax.

That is the context in which we need to take up what we are going to do as a people relative to our newfound economic prosperity that is being projected by so many.

We need to remember, too, how we arrived at this point.

In 1993, when President Clinton took office, he inherited a budget with a record deficit of \$290 billion per year. In 1993, we passed the Budget Act without a single Republican vote—none in the House; none in the Senate. In fact, Vice President AL GORE cast the deciding vote on this floor in the Senate and created a framework for a remarkable turnaround.

From almost 30 years of continuing hemorrhaging red ink and growing deficits, we then had 7 years in a row of declining deficits—in fact, the last 3 in surplus, even over and above that required for Social Security.

For fiscal year 2000, we are looking at a \$26 billion surplus over and above Social Security. In the meantime, that set the framework for 107 consecutive months of economic growth. There have been 20.4 million new jobs since 1993. Home ownership is up a record 67 percent. Real wages have increased since the beginning of the Clinton administration by 6.6 percent, reversing a two-decade-long trend of declining real wages.

From 1993 to 1998, the number of poor people in America declined by 4.8 million and the number of poor children

went down by 2.1 million. In these past 7 years, 7.2 million have left the welfare rolls—a 51-percent decline in the welfare rolls. Welfare recipients now account for the lowest percentage of the U.S. population since 1967, the height of the Vietnam war.

In 1999, Federal spending was the smallest share of our gross domestic product since 1966. Lower- and middle-income Americans had the smallest tax burden in 40 years, as noted by the study that came out this weekend. And we are now paying down debt.

By the end of fiscal year 2000, the Treasury expects to have reduced our debt held by the public by about \$300 billion—that is “billion” with a “B”—from where it was only 3 years ago.

Now we have this great national debate. The experts in both the House and the Senate are projecting about a \$3 trillion surplus over the coming 10 years, thanks, in very large part, to the decision made in 1993 to set that framework for prosperity and growth. We are talking about a \$3 trillion surplus. And \$2 trillion of that is attributable to Social Security. To the good credit of the President of the United States, he said: Save Social Security first. Our Republican friends have concurred. That is off the table.

The next question is, then: What do you do about the remaining \$1 trillion over the coming 10 years? The first thing is to be very cautious. Indeed, we have a hard time projecting 1 year in advance, much less 10 years in advance, what is going to happen to our economy.

We cannot get too giddy about how to spend or give back or do whatever with \$1 trillion that may or may not materialize. But that is the debate that is going on today. It is going on between the two Presidential candidates. It has been going on between the parties. The American public themselves are trying to digest what kind of vision we have for America in the first 10 years of this century, the first 10 years of this millennium.

George W. Bush has said he knows what to do with the \$1 trillion dollars: essentially give it all back in a tax cut, commit to that now. If \$1 trillion doesn't actually show up, too bad, because Social Security, Medicare, and virtually everything else we do will be in jeopardy.

There are others, including myself, who say, first, be prudent about whether this trillion is going to materialize. To the degree that it does, let us look at making sure that we protect the long-term viability of Medicare, which is in shaky financial condition. Most concur. Secondly, let us put some additional dollars towards paying down the debt. That will keep the interest rates down. It will continue to foster economic growth and prosperity. It will make the ability to buy a car, a house, to create new jobs, to run a farm or ranch all cost less. It will do more than many other things the Federal Government could do.

Third, let's make sure we do make key investments in our schools. We have crumbling schools all across the country. We have schools that have a greater need for better technology. We have teacher pay problems. We have problems all the way from Early Head Start through our graduate programs and research programs, including our technical and vocational programs. Let's put some dollars there as well. That will create a foundation for continued economic growth and prosperity, if we continue to invest in the minds of American citizens.

We are in a global economy today. The world is full of people who work as hard as any American for a dollar a day. The question is, Do American workers bring to the table more than just a willingness to work hard but also bring with them the technical skills and intellectual abilities to do things other people in the world cannot do? That is where we need this growing, developing, and constructive partnership between the Federal, State, and local government, public and private, whereby we empower more American citizens to take care of their own needs, to grow the economy, and to make sure America remains the foremost economic power in the world bar none.

Yes, in the context of how to use this \$1 trillion, let's try to find some room for tax relief, too, but let's target it to middle-class and working families, families who have the most difficult time meeting their bills. When you look at George W. Bush's proposal, it is blown on a tax cut, with nothing for the schools, nothing to invest, nothing to reduce the deficit, nothing to protect Medicare, at least not to the degree that it needs to be done. Then look and see who are the winners and losers on this.

The typical middle-class family gets about a \$500 tax cut; a-million-dollar-a-year income gets about a \$50,000 tax cut. That is not fair, not when we are being told we don't have the money to build new schools. We can't pass a bond issue in most of the counties in my State of South Dakota. Real estate taxes are through the roof. Our ag economy is not doing well. We are wondering how to replace all those 1910, 1920 vintage schools across my State. We are looking at still a great many children who would benefit from Early Head Start programs, Head Start programs. We are looking at the need for better law enforcement. We are looking at the need for investing in our infrastructure, including our rural water. We are looking at all the things we need to do to prepare ourselves for the increasingly challenging economy of this coming century, the coming millennium.

That is where the American public is in concurrence with those of us who say, first be prudent about that \$1 trillion, making sure that we stay in the black, that we don't go back into the bad red-ink days of the Reagan-Bush