parents, whether it be single parents working, whether it be both parents working, whether it be low-income, moderate-income, or middle-income, this is a huge issue.

I ask unanimous consent that I have 3 more minutes to finish.

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

Mr. WELLSTONE. This is a huge issue for working families. Many of these families pay more for childcare than they do for higher education. In Minnesota, 30 percent of adult workers make under $10 an hour.

Let's talk about another issue, affordable housing. To pay for the rent of a two-bedroom apartment, not amounting to that much, they will be lucky if they pay less than $900 in Metropolitan Minnesota and it is pretty expensive in Greater Minnesota. If they have a 2- or 3-year-old, they will be very lucky if it is less than $1,000 for childcare. If you have a single parent, that is two-thirds of their income gone. I have not even included health care or transportation or food. I have not even included, maybe once in a blue Moon, being able to take in a movie or maybe taking your children out to eat.

This administration talks about ''leave no child behind.'' Now they want to expand the absolute requirement that these mothers are all going to work. They do not provide the money for childcare. Right now we have about 10 percent of low-income families who can take advantage of childcare and get any help because we do not have the funding. In Early Head Start, it is about 3 percent of these children who can take advantage of Early Head Start because we don't have the funding.

Then there are the middle-income people who look for some assistance, and this administration gives us nothing. And they want to talk about ''leave no child behind.'' In all due respect, they want to talk about the importance of reading, all of which is fine, but where is the investment? Where is the investment in these children?

I finish in these words. I borrow in part from Jonathan Kozol but in part myself. This is my favorite way of putting it.

You help these children when they are little, not because when you help them when they are little they are more likely to graduate from high school—true; not because when you help them when they are little they are more likely to go to college—true; not because when you help them when they are little they are more likely to graduate and contribute to our economy and be good citizens—true. You help them when they are little because they are all under 4 feet tall and they are beautiful and we should be nice to them. That is why we should help children when they are little. That is a spiritual argument.

I don't see that in the budget from this administration. I intend, as a Senator, working with Democrats and as many Republicans as possible, to have amendments out here calling for a dramatic increase in investment in early childhood education, in K–12, in higher education. To me it starts with education.

I yield the floor.

The PRESIDING OFFICER. Under the previous agreement, the Senator from New Jersey is recognized for a period of up to 30 minutes.

TEACHING HOSPITALS

Mr. TORRICELLI. Mr. President, earlier this morning, Senators CORZINE, CLINTON, SCHUMER, and DURBIN were all here to join with me in making a common case. I hope they will be joining me during the course of the day, if they are able to return. If not, I would like to deliver what I believe is a common concern.

This morning Senators heard from my colleagues about the pressing problems of financing education in America in a difficult budget environment. I share in that concern.

I rise with a matter of equal importance for each of our States and all of our communities; that is, the rising pressure on medical care in America as a result of our difficult budget circumstances.

In the next few months the Senate Finance Committee and then the Senate itself is going to be debating the question of how to fund different components of American health care in this difficult budgetary environment. That debate will affect doctors and their ability to maintain their practices and the integrity of their profession; home health care providers and their ability to provide service to those who are often locked in their own homes and need desperately to have care; nursing homes, in many cases not simply the quality of their care but whether hundreds of nursing homes around the country continue to operate at all; and teaching hospitals. It is teaching hospitals this morning that I want to address in detail because in some ways their plight is the most perilous and the issue most immediate.

Since 1983, this Congress has recognized the unique role of teaching hospitals in the delivery of American health care. They have a particular contribution to make, providing technology dealing with difficult cases and providing the doctors themselves for each of our States and all of our hospitals. In recognition of these unique costs, the Congress created the Medicare indirect medical education funding, IME. For more than these 20 years, there was an adjustment for the 1,100 teaching hospitals around the country; that is, they were given a 6.5-percent additional payment for Medicare to fund their unique contributions, recognizing that all hospitals and all communities benefited by these few flagship hospitals in the Nation, these 1,100 institutions that made unique contributions. This 6.5-percent payment was maintained in good years and bad years, years of deficits and surpluses, because we recognized that without them the medical system in the country simply could not be maintained at its current quality. That is until now.

On October 1 the 6.5-percent payment for 1,100 teaching hospitals will be reduced to a 5.5-percent additional payment. It is important that Members of the Senate understand the consequences. The first is to medical technology. All hospitals in America are important, but all do not make an equal contribution. The 1,100 teaching hospitals in America are the source of almost every major medical breakthrough in the country: drug-coated stents which prop open clogged arteries and prevent scar tissue from closing up the artery again—teaching hospitals; implanted cardio defibrillators, such as the one used by Vice President CHENEY, to keep heart rhythm regular—teaching hospitals; EKGs or heart-lung machines, open heart surgery, and angioplasties—teaching hospitals.

Indeed, if you were to go through every major medical advance of our generation, they would come back to the best minds and the best facilities and the best medical departments —in teaching hospitals. That is what is in jeopardy.

Certainly, as it is the leadership of technology in the medical profession, so, too, it is with the most important delivery of services. The chart on my left shows the difference in the burden being carried by these relatively few hospitals. Crisis prevention services are delivered by 11 percent of other hospitals; teaching hospitals, 52 percent. Teaching hospitals, 91 percent of them deal with AIDS service deliveries, 24 percent of other hospitals; geriatric services, 75 percent of teaching hospitals are in geriatric cases, 35 percent of other hospitals; substance abuse, 47 percent compared to 14; nutrition programs, 84 percent of teaching hospitals deal with nutrition programs, 58 percent of other hospitals.

This extraordinary concentration of the development of technology, and dealing with the most difficult and most pressing of the Nation's medical problems, is the basis—the reason why we have additionally provided 6.5 percent. This addition to Medicare is something on which we have never before compromised in recognition of the higher costs and societal contributions.

I recognize in the Senate there is a belief that these teaching hospitals are simply a matter for northern New Jersey or Manhattan, Boston, Chicago, Los Angeles, or Miami—a few urban centers servicing a small part of the population. That could not be further from the truth.

Last year, teaching hospitals around the Nation admitted 15 million people and provided care to 41 million Americans in emergency rooms. These teaching hospitals may have elite talent and give important care with advanced

technology, but it is not for a select few; they are facilities used by all Americans in every State wherever you live.

I cannot overstate that in my region of the country or in my State it will not be a particular problem. It will be. But that burden is shared by all States. Because of this, when we confronted the issue of two previous Medicare give-back bills to compensate for the balanced budget amendment, Congress in 2000 and 2001 maintained the 6.5-percent IME adjustment. As I have noted to my colleagues, that expires on October 1. Automatically, it will return to a 5.5-percent adjustment. This is a 28-percent reduction in funding at teaching hospitals. The consequences are that over 5 years, $5.6 billion will not go for medical breakthroughs in AIDS, cancer, or heart disease; $5.6 billion is not available to teach and train the next generation of America's doctors; and $5.6 billion is not available to deal with the most difficult medical problems in the country.

This chart illustrates the degree of loss. Mr. President, 1,116 teaching hospitals in America will lose next year $784 million and, over 5 years, $4.2 billion.

In my State of New Jersey, this is as acute as anyplace in the country. In some ways, it is more so. Next year, New Jersey's teaching hospitals will lose $31 million. This is a State where 60 percent of our hospitals are now losing money. Those that are making money on average are making less than a 1 percent return on capital.

Over 5 years, New Jersey's teaching hospitals will lose $166 million. This does not just mean a reduction in services. It does not mean just a reduction in quality of care. It means that many will close.

I recognize the perception is that this is our problem, or New York's, or California's, or Illinois'. Allow me to share with my colleagues this information, lest you think this is our problem alone. We may have more teaching hospitals than anyplace in the country, but this is your problem, too. Arizona will lose $40 million; Arkansas, $13 million; Florida, $98 million; Massachusetts, $248 million; Maine, $15 million; New Mexico, $7 million; North Dakota, $3.7 million; and Oklahoma, $30 million. My colleagues, we are in this together.

The infrastructure that has created the greatest medical care in the world has been strained. Now it will be broken. Doctors will not be trained. These medical breakthroughs do not occur by chance. It has taken generations over a century to build these institutions and generations of building teaching staff and trained professionals to give us the greatest medical profession in the world.

It may be that this is concentrated in a dozen States. But the great medical centers of New York, Chicago, Massachusetts, New Jersey, Florida, and California are sending doctors to every State in the Nation. There is not one State in this country that will not this year or next year have had a doctor trained at a teaching hospital in New Jersey, or several from New York, or several from Boston, or Chicago, or Los Angeles. They go to Montana and the Dakotas. They go to New Mexico. They go to the Great Plains. They go to the Deep South. But most of them are trained in our urban centers.

Their ability to continue to train is now at its end. I don't know how the medical profession continues on its current basis. Doctors are closing offices for insurance reasons. Because Medicare payments are no longer adequate to meet the cost of service, offices are closing. Doctors move instead to practice at other hospitals. Now we are going to reduce reimbursements to hospitals. Some of those will close.

We have known for a long time that the current quality of medical care in America and the extent of service through different levels of income and class cannot be maintained. We have postponed it.

The inability of this Congress and the country to have a national system of health care delivery with privately or nationally based insurance has strained every degree of health care delivery. We have done our business to maintain it. We have even been able to maintain these hospitals by maintaining the IME system. Now that is at its end.

There is introduced in the Senate the American Hospital Preservation Act which would maintain the current IME adjustment at 6.5 percent. I am a cosponsor. Its major provisions will be before the Senate Finance Committee when we consider how to deal with the medical crisis in America.

I cannot more strongly urge my colleagues to follow the leadership of this legislation and consider seriously the consequences of allowing expiration of IME adjustment, what it will mean to these hospitals, what it will mean to the medical care profession, and what it will mean to every one of your communities and every one of your States when the local doctor who went away to the big city to become trained no longer comes home with his or her training and special skills and ability to save lives. The spigot is closed. Everybody is on their own. The teaching hospital just closed.

That, my colleagues, is no longer on the horizon. It is no longer speculation. That is exactly what we are faced with—the real consequences of losing our leadership in these technological breakthroughs and providing these very specially trained people.

I know earlier in the day Senator SCHUMER, Senator CLINTON, Senator CORZINE, and Senator DURBIN were to be here to share in these remarks. Regrettably, they were delayed because our colleagues were speaking, understandably and justifiably, on other issues. I know that on other days they will come to the Chamber to speak about these same concerns. Each of them would like to be identified with this case. We will come back to fight this on other days. This is not going away. We are not going to be silent.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Michigan.

Ms. STABENOW. Mr. President, I ask unanimous consent to speak for up to 10 minutes in morning business.

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

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I come to the floor today to respond to a proposal of principles that has been released this morning by our Republican colleagues in the House of Representatives.

First of all, I commend them for speaking out in support of prescription drugs and lowering the costs. But I come today, along with other colleagues, to ask them to join with us in doing more than just offering principles, but, as my colleague who is now presiding has indicated, show me the money—show me the resources. Unfortunately, for a senior who got up this morning and had to decide whether or not to eat or take their medicine, a set of principles will not purchase those prescription drugs. What they need is action. They need action now from us. We have the ability, the capacity to do that.

The first principle that has been put forward by the Speaker of the House is to lower the cost of prescription drugs now. I could not agree more. We have put forward a set of proposals to do exactly that, to increase the ability to use generic drugs, to open our borders with Canada so that our American consumers can purchase American-made drugs sold in Canada for half the price. So that our business community, our hospitals can have free and open trade with Canada to bring back drugs at half the price and sell them to our consumers. We can do that right now. It does not cost anything. Just take down the wall at the Canadian border.

We also know that we need to encourage the drug companies to put as much emphasis on research as they do on advertising. Right now, they are allowed to write off advertising costs deduct them. Taxpayers subsidize that. We know they are deducting twice as much on advertising as they do on research, and we know if we simply said, you can deduct as much on advertising as you do on research, we would save money, and we could put that money into Medicare for a prescription drug benefit.

We also know that the State of Maine has taken leadership in bulk purchasing, so that, on behalf of their consumers and their pharmacies, hospitals, and doctors, they are going to begin the process of purchasing in bulk to get a group discount. It is common