



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148

WASHINGTON, TUESDAY, JULY 23, 2002

No. 101

Senate

The Senate met at 9:45 a.m. and was called to order by the Honorable JACK REED, a Senator from the State of Rhode Island.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Power to equalize the pressures of life, we need You! The day stretches out before us. There is more to do than time will allow; there are more people to see than the schedule can accommodate; there are more problems to solve than we have strength to endure. Life becomes a pressure cooker. Thank You for this moment of prayer in which Your peace equalizes our pressure. We press on with the duties of this day knowing that there is enough time today to do what You want us to do. There is no panic in heaven; may there be none in our hearts. Give us the gift of a productive day. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 23, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator

from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REED thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, there will be a period for morning business until 10:45 a.m., with the first half of the hour under the control of the Republican leader or his designee, and the second half of the hour under the control of the majority leader or his designee.

At 10:45 a.m., the Senate will vote on the cloture motion on the nomination of Richard Carmona to be Surgeon General of the United States. We hope to voice vote the nomination shortly after the cloture vote.

Upon disposition of the nomination, the Senate will resume consideration of the prescription drug bill, with the time until 12:30 p.m. divided between the two leaders or their designees. The Senate will recess, as we do on every Tuesday, from 12:30 p.m. to 2:15 p.m. for our weekly party conferences.

At 2:15 p.m. today, the Senate will resume consideration of the prescription drug bill, with 30 minutes of closing debate on the pending Graham and Grassley prescription drug amendments, prior to two rollcall votes beginning at 2:45 p.m. first on a motion to waive the Budget Act with respect to the Graham amendment, and second on a motion to waive the Budget Act with respect to the Grassley amendment.

MEASURE PLACED ON CALENDAR—H.R. 4687

Mr. REID. Mr. President, I understand H.R. 4687 is at the desk and due for its second reading.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. REID. I ask that H.R. 4687 be read a second time, and I object to any further proceedings.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The assistant legislative clerk read as follows:

A bill (H.R. 4687) to provide for the establishment of investigative teams to assess building performance and emergency response and evacuation procedures in the wake of any building failure that has resulted in substantial loss of life or that posed significant potential of substantial loss of life.

The ACTING PRESIDENT pro tempore. Objection having been heard, the bill will be placed on the calendar.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:45 a.m. with Senators permitted to speak therein for up to 10 minutes each.

Under the previous order, the first half of the time shall be under the control of the Republican leader or his designee. Under the previous order, the second half of the time shall be under the control of the majority leader or his designee.

The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to use some of the time for the Republican side.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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The ACTING PRESIDENT pro tempore. The Senator has that right. The Senator from Wyoming.

PRESCRIPTION DRUGS

Mr. THOMAS. Mr. President, we are moving on today, I am pleased to note, to deal with this business of pharmaceuticals. It is a very important issue, one that we have struggled with for some time. I am not particularly impressed with the system we have used. I am afraid it pretty much spells out the fact that it is going to be very difficult for us to come together with any real meaningful legislation with regard to pharmaceuticals. There are a couple of reasons for that. I think we could have done it a little differently.

One, of course, is we do not have a budget. We have not brought up a budget resolution. So the question of funding always comes up. That is the reason for the votes this morning to try and waive a point of order on the budget. Not only does it affect this issue, of course, but the effect is that it is irresponsible not to have a budget for this coming year and be able to have the protections that a budget provides.

We have been talking a long time about the failure of business to do things properly. This is certainly a failure, it seems to me, of the Congress not to have a budget resolution. We have not had it brought up.

The other problem is we are dealing with the very broad subject of pharmaceuticals, which does not have before it a proposition that has been treated by the committee. Obviously, almost all the issues that come before the full Senate—and certainly there are those that are difficult issues—have gone through the committee, and much of the venting, much of the argument, much of the discussion has been done in the committee, and then the committee has come forth with a majority vote.

This is the second time recently we have had bills come to the floor that are complicated and difficult without having had their exposure in the Senate committee.

The energy bill, which we are still involved with, which was on the floor for several weeks, was pulled from the committee. It was not allowed to come through with a committee recommendation, and the same thing with the Finance Committee. So we find ourselves in a very difficult position.

Nevertheless, that is where we are. We have several propositions before us. One is the Graham-Kennedy-Daschle bill, which was in the committee but apparently would not have received a majority vote in the committee, so it therefore was not brought to a vote. This creates a very large increase of Government bureaucracy and basically ultimately sets price controls in pharmaceuticals, has fairly restrictive formulas for the majority of managed-care companies.

The Graham bill has plans to cover at least one name brand drug but not more than two in each therapeutic class. Pharmaceuticals is a difficult issue: How to provide them in terms of distribution; are they a part of this case in the Graham bill; and will they really become part of Medicare?

The competing bill, they have done more in the private sector, and it is separate somewhat. It is a real tough job to encourage people to do it as economically as can be done. How will generics become hopefully more used and useful than they have in the past and therefore reduce some of the costs? How is the distribution done so consumers have some choices in terms of not only brands that are available to them but, frankly, some of us are concerned in States where we have low population whether or not there will be opportunities for consumers to have some choices, whether they will be able to use the local drugstore, or whether they will all have to be mail-in kinds of things.

So it is a tough decision. There are differences in the two proposals. One will be a part of Medicare and will be handled by the Government. The other will be a private sector delivery system that will be set up.

In the case of the Government system, of course, whoever does the distribution will not have to make any particular choices with regard to costs or helping to reduce them. But on the other hand, in the private sector the more they can make it economical, the more profitable it will be.

So I am hopeful as we go through this, we can seek to set forth the best proposition that is possible, at the same time taking into account spending, and the spending in the two bills are quite different. The Democrat bill, the Graham bill, over a period of 7 years, is basically twice as expensive as the other bill. It costs in the area of \$600 billion. The other one is very expensive as well, about \$330 billion over the course of 10 years. So either one is going to be very expensive, but one quite less expensive than the other. Certainly we need to take a look at the expenses.

The tripartisan plan seems truly to find some common ground between traditional Democrat and Republican views, and that is useful. It reforms Medicare. It provides a prescription drug benefit to ensure that seniors do have coverage more similar to employee-sponsored plans that, of course, we have been accustomed to in the past.

I hoped this proposal could have been debated more—I have already mentioned that—in committees. It spends \$330 billion over 10 years to provide prescription drugs for seniors. Even at that, whoever thought we would be talking about something in the area of \$330 billion? Nevertheless, that is the case. It is a compromise between various proposals.

In addition to simply the drug benefits, it spends \$40 billion to make some

overdue changes in Medicare Parts A and B, which need to be done. We have not made changes in Medicare for some time. The prices and payments have caused it to be difficult for people to get services. It tends to bring the Medicare into the 21st century. It does spend \$370 billion over 10 years to make those changes, but I think it is a reasonable proposal. It has a monthly premium, which I think is reasonable if they are going to have these kinds of services. It has an annual deductible which, again, is not unusual in terms of insurance payments of these kinds. I think first dollar payments are very important in terms of any insurance program. It has a benefit cap. The Government pays 50 percent for seniors with drug costs up to \$3,400. It has catastrophic coverage beginning at \$3,700. Seniors will then be responsible for only 10 percent of the cost above that.

So it is a tough program. It is one of the programs, however, that does deal with seeking to solve the problem without excessive expenditure. Low-income assistance below the 150 percent Federal poverty level is good for the entire structure. There is no so-called doughnut, middle ground, for low-income seniors, and that is good. This is the program that provides assistance, of course, to all seniors, and for their drug costs. It gives them access to discounted drug prices, and seniors generally now are the only group who pay full retail prices for drugs.

So I am hopeful as we go into this afternoon's program, even though under the circumstances of bringing these bills this way without having a budget we will have to have 60 votes to get one passed, I hope we will give some thought to the only one that is indeed bipartisan, in fact, tripartisan, in nature, so we have the best opportunity of finding success in the Government to provide pharmaceutical and drug coverage to seniors, something that almost everyone agrees needs to be done.

The question is how it is best done, and how we deal with the costs, the distribution; what ought to be the difference in access between low-income and those who are not; what we do to make some improvements in Medicare. This seems to be the proposition before the Senate that can provide for these benefits.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, our time is very short this morning, so I will be brief. Let me discuss the key criteria Senators should consider.

First, is the drug coverage permanent and dependable? Under the tripartisan amendment, drug coverage would be a permanent part of the Medicare entitlement, for the 21st Century.

Under the Graham amendment, however, that coverage disappears into a black hole. The benefit expires the very same year the baby boomers begin to retire. In my view, it's terribly irresponsible to pull a "bait and switch"