deemed expired and the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period for morning business for up to 60 minutes, with the first 30 minutes under the control of the majority leader or his designee, and the second 30 minutes under the control of the Democratic leader or his designee; provided that following morning business, the Senate begin consideration of the conference report to accompany H.R. 3108, the pension reform bill, as provided under the previous order.

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

PROGRAM

Mr. FRIST. Mr. President, tomorrow morning, following morning business, the Senate will begin consideration of the conference report to accompany the pension reform bill. Under the unanimous consent agreement, there will be up to 4 hours for debate equally divided. Following the use or yielding back of time, the Senate will vote on the conference report. In addition to the pension reform conference report, the Senate may resume consideration of the FSC/ETI or JOBS bill.

ORDER FOR ADJOURNMENT

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senators STABENOW and DOLE.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Mr. President, first, I very much appreciate the Senate coming in when it is. We have a very important meeting at 9 o'clock with Secretary Rumsfeld. I appreciate that. I say that on behalf of the entire Senate.

Senator STABENOW wishes to speak for 20 minutes tonight, just so everyone understands. I do not know how long the Senator from North Carolina is going to speak.

Mrs. DOLE. About 8 minutes.

Mr. REID. Mr. President, does the Senator from Michigan mind if the Senator from North Carolina goes ahead of her?

Ms. STABENOW. No.

The PRESIDING OFFICER. The Senator from North Carolina.

STAYING THE COURSE IN IRAQ

Mrs. DOLE. Mr. President, a few years may have passed since I had the pleasure of serving President Ronald Reagan, but I can still remember the liberal naysayers attacking him for his fixed resolve in fighting the cold war. They questioned President Reagan's reasoning, they questioned his strategy, and they questioned America's chances of coming away victorious in a battle to free the Soviet Union and other countries from the grasp of communism. President Reagan rejected communism, he rejected the Iron Curtain, and he refused to concede that freedom could not prevail.

While the Soviet Union was extending its influence and doctrine throughout the world, President Reagan had a different idea for the course of history. He knew that the enemy must be defeated, not tolerated. So in the face of severe criticism, Ronald Reagan did just that. Of course, we now know Reagan was right in his actions to eradicate communism. Millions were freed, and a global threat no longer exists.

Does this kind of skepticism have a familiar ring? It should. It is frighteningly similar to the opposition our current President is facing. In fact, some of the faces are even the same. They were wrong then, and they are wrong now.

As did Reagan, President Bush determined that terrorism must not be tolerated. It must be defeated.

Since declaring a global war on terror, the United States has succeeded in two operations against countries that harbored known terrorists. We have captured a brutal dictator in Saddam Hussein, immobilized Osama bin Laden, destroyed al-Qaida's base, and Iraq now has a constitution built on democratic principles. We are also seeing positive signs from known sponsors of terrorists.

After years of successfully hiding from United Nations inspectors, Libya has now relinquished its nuclear weapons program. Libya, as well as other rogue terrorist regimes, knows this President means business. Does this sound like a record that deserves criticism and skepticism?

Since liberating Iraq, the coalition forces have made tremendous progress, but insurgents remain who do not wish to embrace freedom but instead choose violence and terror. Coalition forces are presently seeking cleric al-Sadr. He is an individual who has a lot in common with Saddam Hussein. Much like Saddam, he is inciting criminals and loyalists of the old regime to take up arms against peace and freedom. Much like Saddam, he is hiding somewhere while others fight his battle—this time in a mosque, not a hole. And much like Saddam, he and other rogue supporters will be brought to justice by our forces.

We are blessed with brilliant and hard-working men and women, under Paul Bremer's leadership, who have sacrificed their way of life in the United States to aid the Iraqi people in the transition to democracy. Our men and women in uniform have done and are doing a phenomenal job of bringing stability to nations previously under the reign of terror. Sadly, there are casualties still occurring abroad, and it is heartbreaking.

I have personally visited with our men and women in uniform, as well as their families, and have seen firsthand their unwavering commitment. They underscored how strongly they felt about their mission and the need to see it through to completion. Just this week, President Bush was in my home State of North Carolina where he met privately with the family of 26-year-old Army Specialist Christopher Hill. Christopher was killed in Iraq when his vehicle fell victim to a roadside bomb and exploded.

During the tear-filled meeting, an emotional President Bush spent time with Christopher's young widow, Cheryl Hill, and her 14-month-old daughter. Cheryl Hill was unyielding in her support of President Bush as our Commander in Chief. Amidst her prayers for her family, Cheryl told the President she not only supports him 100 percent, she prays for him as well.

I conclude with a story that pulled at my heartstrings this week. A soldier in Iraq was gravely injured when his vehicle was hit by a rocket-propelled grenade while on patrol. His driver and gunner were killed. He suffered extensive burns on his legs, back, and face and permanent nerve damage to his left leg.

After undergoing rehabilitation and several skin grafts in Germany, he told his commander to send him back to Iraq or he would not reenlist. He went through tests to ensure he was still mission capable and was ultimately sent back to Iraq to resume his post. When this seriously injured soldier was asked why he returned to Iraq after that kind of ordeal, he simply responded, ''The job is not done.''

Simple words, but how powerful and how poignant. Our job is not done, but I know we have men and women capable of completing it. May God bless each and every one of them and may God continue to bless those who yearn for freedom around the world.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I rise to speak about a very important topic this evening. But I first want to commend and concur with the Senator from North Carolina in terms of our support for our troops. I think this is such a critical time. It is such a challenging, dangerous time for our men and women who are serving us now, particularly in Iraq and Afghanistan. All of us, 100 percent of this body, and I know the House, as well as the administration, join together in saluting, commending, and sending our prayers to them every single day.

I also wish to give my respect and honor and support to all of our men and women who are serving us.

MEDICARE AND PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I rise today to speak about a subject that I have certainly spoken about before on the Senate floor. This is an issue of great concern, an issue that is near and dear to my heart, and that is the question of Medicare. Right now, though, too many people are calling the new Medicare law that we passed ''Medigate'' because of all of the issues that have come forward, both in implementing the new law and in issues that relate to what we knew, what was withheld from us, all of the information and inaccuracies in fact that have come forward since passing this legislation.

I am very concerned, as I have indicated on many occasions, that the new law includes provisions that would undermine Medicare as we know it; that many beneficiaries would be worse off, either losing their coverage or paying more under the new Medicare law. To add insult to injury, this new law does nothing to lower the cost of prescription drugs.

Every day, as we look more closely at what some are calling Medigate, over and over again we find there are new concerns about the Medicare bill. Senator BOB GRAHAM spoke earlier, and I commend him as a champion of protecting Medicare. Throughout his tenure in the Senate, he has been a thoughtful and passionate champion on this issue.

He spoke about Richard Foster, who was threatened that if he told us the real numbers on what it would cost, he would be fired. Now we see charges and countercharges, questions being raised about what is happening.

Sadly, we have heard this same story repeated over and over again in different ways about people who had the courage to stand up and disagree with the current administration, or, in this case, a career public servant who was just trying to do his job and give us the information to which we had the right and, in fact, needed to know before we passed this Medicare bill.

As I have indicated in expressing my concerns, we started out with a bill that would provide a real, comprehensive prescription drug benefit for seniors, a bill that would lower prices for everyone, and we ended up with neither of those things. Instead, we ended up with a bill that is focused on helping the pharmaceutical industry increase their profits and on helping the insurance industry.

This bill is a bad bill for Americans. It is a bad law for American seniors, the disabled, and for our families. So I have chosen to put together what I call the ABCs on Medicare in terms of what has happened and what the concerns are in the areas that we need to work together to change before this takes effect in 2006. I call it the ABCs of the new Medicare plan.

First, A is for the attacks on Medicare through privatization in this bill. Secondly, it is a bad benefit. It is not a good benefit for seniors. There is a large gap in coverage. There are high out-of-pocket costs. There are uncertain premiums. We know the premiums will be going up.

Coverage loss is another issue. We know that 2.7 million retirees will lose prescription drug coverage in private plans. These are people who had plans; they worked hard all their lives; they retired; they may have given up a pay raise in order to make sure they had retiree health care coverage. We know that 2.7 million of them or 1 out of 4 people with private retirement plans right now will lose them. They will be dropped from coverage because of the way this benefit is designed.

We also know the discount cards are of little help. I will speak more on that in a moment, but one piece that I thought was going to actually help people was a discount card, a discount of anywhere between 10 percent and 25 percent. Now there are serious questions being raised about whether there will be any real discount for people in the end.

Finally, this law eliminates provisions to lower prices.

When we look at this privatization of Medicare with bad benefits—some people lose their coverage, the discount cards are not what were advertised, and the fact that we see no provisions to lower prices—I suggest we ought to start over and make sure we get it right. We have time to do that.

The attacks on Medicare through privatization—what does that mean? We know a couple of things. We know what will happen in 6 short years. Mr. President, 2010 sounds like a long time away. It is 6 years from now. In 2010, for people in 10 different demonstration areas—we don't know where they will be, but in 10 areas around the country—if folks want to stay in traditional Medicare they are going to end up paying more. In fact, in those areas, we find that CBO says it could cost up to 25 percent more to stay in traditional Medicare. Others will be forced into private HMOs.

How is this going to work? In 2010, for people who are in this demonstration area, Medicare will change from a defined benefit to a defined contribution. What does that mean? It means instead of having the same Medicare wherever you go—which, by the way, is what the ad says, ''same Medicare, more benefits''—it will not be true for people in these areas. The Secretary of Health and Human Services indicated he did not know if the ad would be true: Same Medicare, more benefits.

In fact, it is not true for people in these areas around the country because what will happen is instead of having your same Medicare with the same premium and copay anywhere you live anywhere within Michigan, whether it is Upper Peninsula, Grand Rapids, Detroit, or Lansing, or Mississippi, Texas, or Minnesota, instead of knowing what you have and being able to pick your own doctor, for folks in these demonstration areas this will become a defined contribution.

Essentially, they will be given the equivalent of a voucher for a certain amount of money; then Medicare beneficiaries can decide whether they want to go to an HMO, whether they want to go to a private insurance company, or whether they want to stay in traditional Medicare. If the costs go up of going into a private plan, the individual would have to pay the difference. If the person stays in traditional Medicare, again it is anticipated that the costs will go up by 25 percent.

Why is that? If you are healthy, you are younger, wealthier, so you don't mind taking a risk that your costs are going to go up. You probably can get a deal in a private plan, particularly if you are healthier and younger, so you will get a better rate.

Folks who are older, more disabled, sicker won't be able to get a very good rate from private insurance companies. Instead they will stay in traditional Medicare. Fewer people in traditional Medicare, the cost is not spread as far, the risk pool is not as big—therefore, costs go up.

What we see is an effort, in just 6 short years, to demonstrate in 10 areas around the country a different kind of system that puts the risk and the possibility of increased costs on the senior citizen, on the disabled. It begins to unravel Medicare as we know it.

I believe that is by design. I believe when Newt Gingrich said we can't directly eliminate Medicare but we are going to let it ''wither on the vine,'' when he made those comments a number of years ago, I think that is exactly the kind of thing he was talking about in these demonstration projects. As I have indicated, we know the costs of Medicare will go up by about 25 percent as a result of this.

Why would we want to do this? The reality is Medicare costs less to administer in terms of health services than private plans. We know that. The Congressional Budget Office says it costs 13.2 percent more money to go through an HMO right now, or private plan, than it does to stay in traditional Medicare. We also know Medicare is more cost efficient. Only 2 percent of Medicare expenditures are used for administrative costs. The private sector spends about 15-percent administrative costs.

We have a system that works; it is efficient; it doesn't cost much to administer; and everybody gets covered. This is a great thing. Medicare is a great American success story. If you are 65 or older or you are disabled in this country, we have set as a priority, as an American value, that we want to make sure our people have health care in this country. We want to make sure we don't forget our seniors, forget those who are disabled. A system was put together that worked.

Instead of celebrating that system, there is an effort now to dismantle it, unravel it, and to help do that in this bill. This bill would overpay private plans by $46 billion so they can compete more easily. Right now, most people aren't picking private HMOs through Medicare+Choice. To make them more attractive, $46 billion that could be spent to lower prescription drug prices is being given to private companies and HMOs so they can more effectively compete with Medicare.

There is also a slush fund of $12 billion for private companies in this bill. It doesn't go to paying for prescription drugs; it goes to subsidize the insurance industry so they can compete more effectively, even though right now we know we would save money if we put a prescription drug benefit through Medicare as we know it and beefed up a system that is already working.

Second, this is a bad benefit. In fact, I wish this was a good benefit. We all want to have the very best benefit possible for our seniors. Unfortunately, we are in a situation where, first of all, those with a very low income, who are under Medicaid right now and will be moved over to Medicare, may actually find themselves paying more because the copays are higher. Think about that. Folks who are choosing between food and medicine, the folks we have all talked about when we went home under this bill, actually may pay more than staying with the current system we have right now.

There are some folks who will receive some assistance, but first they will need to pay $35 a month in premiums, in fees. In order to be exempt from that, that person will have to qualify as low income and have less than $6,000 in assets. Think about that. That is not that much money. Someone would have to have less than $6,000 in assets to be able to qualify for the low-income benefit and not have to pay the premiums or the copays.

But assuming someone is having to pay, assuming $35 a month, a $250 deductible, then after someone has paid $250 they would have a 25-percent copay on any prescription drugs they purchased up until a total of $2,250.

But after you have spent $2,250 in prescription drug costs out of your pocket, you have to continue to pay the premium but get no help paying for your medicine until you reach $5,100 in drug spending. That is a huge gap. Some call it a donut hole. It is a huge gap. You have to continue to pay. You don't get any help.

What does that mean in the end? It means in the end you are paying $4,050 out of pocket when you have a prescription drug bill totaling $5,100. So your drug bills are $5,100 and of that you are paying $4,050. You are still paying 80 percent. We can do better than that. That is a bad benefit for our seniors.

Let me also speak about the loss of coverage. We have 2.7 million retirees who will lose coverage because they have a private retiree coverage right now through their business, and the way it is designed it will not allow that to continue. The incentive will not be there for the business to continue this even though folks have worked their whole lives to make sure they had coverage when they retired. That was part of their benefit plan, part of their salary, and what they have worked for their entire life.

Mr. DURBIN. Mr. President, will the Senator from Michigan yield for a question?

Ms. STABENOW. Yes. I will gladly yield to my friend from Illinois.

Mr. DURBIN. On the point she just made, as I traveled about the State of Illinois over the last several days, I have run into retirees who talked to me about having the rug pulled out from under them. After having worked for years, they expect to receive retirement income and certain benefits. Then because of a company's change in policy, these retirees find they will lose their health care benefits.

But the Senator from Michigan is saying under the new prescription drug plan supported by the Bush administration, you anticipate when this goes into effect over 2½ million retirees across this country will find these companies basically dumping the coverage they already provided and instead trying to replace it with their plan. Is that what the Senator anticipates as the outcome here?

Ms. STABENOW. Yes. What we are finding—and certainly when we started, we wanted the baseline to do no harm. We shouldn't have people worse off than they are now after we passed this. Yet 1 out of 4 retirees, or 2.7 million retirees, will find themselves in that situation, according to the estimates.

Mr. DURBIN. If the Senator from Michigan will further yield for a question, it is my understanding as well if a retiree in America wanted to sign up for President Bush's prescription drug plan but then realizes, as the Senator described earlier, there is a big gap in coverage, for example, that the language of the law itself prohibits that retiree from buying in addition to this plan their own private health insurance coverage to fill in the gap in the plan. So it basically takes away the power of the senior, the choice of the senior to try to cover their own expenses by expressly prohibiting that senior from purchasing insurance to supplement President Bush's prescription drug plan.

Ms. STABENOW. It is stunning, actually. I am so glad the Senator raised that issue. My mother raised it with me after listening to the debate. The first thing she said to me after this was passed was, You are telling me I can't have my Medigap policy. There is a huge hole in the middle of it. There is no coverage. This particular law says under your own choice you cannot voluntarily go out and buy a Medigap policy. It makes absolutely no sense.

Mr. DURBIN. If the Senator will further yield for a question, one of the fundamental issues with the President's prescription drug plan is—as I am sure the Senator has mentioned, or will in the course of her remarks—there is no mechanism in place in this plan for Medicare itself as an insurance program that Americans are familiar with, that seniors trust; there is no provision in this bill for Medicare to offer this prescription drug coverage and bargain with the drug companies to reduce costs for seniors. There is an express prohibition for Medicare offering that kind of prescription drug benefit. Is that not correct?

Ms. STABENOW. That is correct. There is only one group that benefits from that.

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

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senator from Michigan be recognized for an additional 15 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Ms. STABENOW. Thank you, Mr. President.

What we have in this new law adds insult to injury. Not only could we keep the system which everybody knows about, which is the traditional Medicare, we could have done a traditional prescription drug benefit through Medicare. It is less expensive. It is more efficient. We could have provided a better benefit. But on top of that, Medicare is not allowed to use their clout to negotiate lower prices. The VA does it.

We know if we were to negotiate on behalf of 40 million Medicare beneficiaries, we could dramatically bring down the price. The problem is the pharmaceutical industry knows that, too, and they were successful, unfortunately, with their six lobbyists for every one Member of the Senate to get that language in this bill.

Mr. DURBIN. Will the Senator from Michigan respond to this question? Why is it if this plan does not offer Medicare, the option to help pay for prescription drugs for seniors, and if this plan has so many gaps in it where people won't receive coverage, and this plan expressly prohibits seniors from buying Medigap coverage to help fill the gaps, that an organization like the American Association for Retired Persons would support this plan? Does the Senator from Michigan know if the members of that organization were surveyed as to whether they supported this plan?

Ms. STABENOW. That is one of the things that disappoints me more than anything else about what happened. I certainly have not heard from Michigan AARP members saying they support this plan. In fact, after local chapters in Michigan found out the details, they have been writing letters to the national AARP indicating they do not support this.

This is something that in no way, in my humble opinion, should have ever been supported by the AARP.

Mr. DURBIN. If the Senator will further yield for a question, if I am not mistaken, the polling I have seen says over 60 percent of AARP members oppose President Bush's prescription drug plan. But their leadership, Mr. Novelli, appeared at a press conference and endorsed it. I notice he has had a few things to say lately. He dislikes drug companies, but it is a little late for that conversation.

As you take a look at their prescription drug plan, isn't it interesting to the Senator when President Lyndon Johnson created Medicare and the bill was passed, he only needed 8 months to put the Medicare Program in place to cover seniors, and this President says he needs more than 2 years before he can actually offer the benefits of his prescription drug program. Does the Senator from Michigan have any idea why this takes so long and why the President wants to wait?

Ms. STABENOW. First of all, it is very simple, I think. They don't want people to know the real facts about this new law. They want to be able to put ads on television that say same ''Medicare, but more benefits'' when, in fact, it is not the same Medicare, and certainly by 2010 it is not the same Medicare with more benefits. Some people won't be able in fact to be able to get those additional benefits. They are pushing out 2 years the implementation hoping they can campaign now and people will not really see what is taking effect.

Mr. DURBIN. I thank the Senator from Michigan for yielding the floor.

Mr. President, I ask unanimous consent after the Senator from Michigan has completed her remarks that the Senator from Minnesota be recognized to speak for 15 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Mr. President, the Senator from Minnesota said I could speak before him. I would ask to have 10 minutes right now.

Mr. DAYTON. Mr. President, I will take my time after the Senator from Iowa.

Ms. STABENOW. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has the floor, and has 11 minutes.

Ms. STABENOW. Thank you very much. I thank my friend from Illinois.

I would simply also go on to say one of the things I find deeply disturbing is while seniors have to wait for whatever meager benefits are in this bill, $46 billion has begun to be spent and given to HMOs to subsidize this effort now. Money is being spent from the Medicare bill we passed, but it is not being spent on helping people be able to pay for their medicine, which is another outrage, frankly, in this legislation.

Let me speak to one other issue. It is true, we see nothing in here that will allow Medicare to negotiate group prices.

There is one thing we thought was going to be helpful this year, a discount card. We were told it would provide from a 10-percent to 25-percent discount on prescription drugs. These are going to be available in the next couple of months.

As the Wall Street Journal has reported, the prescription drug provision for our seniors and the disabled increased 3.5 times faster than the overall rate of inflation in 2002. The prices for prescription drugs has increased more than 3.5 times the rate of inflation in the last year and a half. In fact, Families USA has done a study looking at the price increases that have occurred since the passage of the bill.

This is of great concern to me because it appears seniors may get some help. But will they really? Let me demonstrate why I wonder. I will show the savings in two ways.

We were told it would be either a 10-percent savings through a discount card or up to 25 percent. If we start with 10 percent, we have seen an increase in Celebrex of 23 percent. A 10-percent decrease with a discount card, you still see a price increase of 13 percent.

Seniors are asked to pay $30 for this discount card and they can only change it once. Deeply disturbing to me, a senior may decide: I take Celebrex and I need as much of a discount as I can receive. I will pay my $30 for this year. But the folks administering this can change which drugs are on the discount list every 7 days. So somebody pays their $30, scrapes that together in order to be able to get some meager help, and then they find out next week Celebrex is not on the list. Or next week Lipitor is not on the list, or Zoloft or Zocor. So the seniors are locked in but those administering the program are not locked in.

For whom is this bill written? For whom are the regulations written? I argue, not our seniors but for the prescription drug industry.

If it is a 10-percent discount, given the increases that have been going on—anywhere from 15, 16, 19, to 23 percent—seniors are not really getting a discount if it is a 10-percent discount. That is like right before a sale, the store you go to buy your tires from increases the cost of the tires 25 percent, then they put a sign in the window that says 10 percent off. That is what we are concerned about.

Now, if it is a 25-percent discount, which would be much better, even with a 25-percent discount card, if Celebrex has gone up 23 percent, it means seniors are really getting only a 2-percent discount. Or Lipitor, going up 19 percent, you are getting only a 6-percent discount. On and on and on.

There is another area Families USA raised which is of great concern. First, they say it is difficult to know what kind of a discount you are getting if you do not know the base price. That is what we are seeing. We are seeing the base price go up so it is tougher to get a real discount.

Second, we know under the discount card program the sponsors of the cards are required to pass along to our seniors only a position of the share of the rebate they get from the drug manufacturers. Let's say they negotiate a 30-percent discount. They do not have to pass all of that on to the senior. Instead, they can use that as profits to them.

There are a lot of issues that relate to this, a lot of concerns. In fact, Senator DASCHLE has introduced a bill, which I cosponsored, that requires that savings be passed on to the senior.

The regulations under this discount card foster a number of bait-and-switch schemes by the sponsors that I talked about before. They are locked in, they cannot change, or they can only change once, yet every 7 days the product being discounted can change.

There is a positive aspect, a $600 credit for low-income seniors and people with disabilities who are placed on the discount card. If you qualify, you get essentially up to $600 which you can use to purchase prescription drugs. That is a positive feature. However, my concern is, given the regulations and the certification process to qualify for low income, and the fact you have to have less than $6,000 in assets, too many people will not qualify for something that was put in place to help.

There is something we could do, something that was not in this bill, something that would make a difference. There is bipartisan support. Instead of dealing with the discount cards and the prescription drug prices that are going up three and four times the rate of inflation, meaning there is not a real discount, real help for people, if we join together, colleagues on both sides of the aisle are supporting this, and allow the pharmacist at the local drugstore in Lansing, Detroit, or Grand Rapids, or Marquette, to be able to do business with a local pharmacist in Canada or other countries that have similar safety provisions as the United States, we could really drop prices in half on Celebrex.

Instead of figuring out these discount cards, seniors having to pay a $30 fee in order to receive them, we simply do what should have been done sometime ago, something that can be done safely, if we had simply allowed the local pharmacist to be able to do business with a pharmacist in Canada.

I talk about Canada because that is the easiest and closest for me in Michigan. I have taken a number of bus trips with seniors to Canada. We could drop prices 50 percent. We could drop the price of Lipitor 40 percent; Zoloft, 37 percent; Prevacid, 50 percent; Zocor, 47 percent.

For women with breast cancer, and I had the opportunity to take a number of women to Canada who are on Tamoxifen, this is most startling. It costs $340 in the United States for a month of breast cancer medication. Women can receive that same drug in Canada for $39. There are things we can do.

In conclusion, while I believe the Medicare law passed did not end up being a bill in the best interests of our seniors, the disabled, or the taxpayers of this country because of the inability to lower prices, I do believe there are things we can do. There are things we can do together. One of those would be to open the opportunity for local pharmacists to bring down prescription drug prices at a huge discount for our seniors. I am hopeful we will bring that up together in the Senate. I believe we can get that done while we are in the process of fixing this Medicare law.

The PRESIDING OFFICER. The Senator from Iowa.

PRESCRIPTION DRUGS

Mr. GRASSLEY. Mr. President, as chairman of the Senate Finance Committee that had jurisdiction over the prescription drug bill for seniors, and as one of those who worked on the final product as a member of the conference committee, as one who is very happy we have this piece of legislation passed, as one, after having 36 town meetings in my State since the first of the year, who has come to the conclusion that seniors are beginning to look at this program and see it as something very beneficial to them, I wish to take a few minutes to respond to the exchange that was recently put on by the Senator from Michigan and the Senator from Illinois—not to address the enlarged picture they just talked about but to address some misconceptions that can come from parts of their statements.

I would start, first, with the issue of the provision in the bill that deals with the Federal Government not negotiating the price of drugs. That was put in there for a very specific purpose. That specific purpose was, we know what the situation is with the Veterans' Administration negotiating drug prices. Yes, prices are lower for drugs because they are doing that, but we have found that the Veterans' Administration will not pay for every particular drug that a doctor might want to prescribe.

I had this brought home to me very clearly in my Des Moines town meeting, where the first question I had was from a constituent who was mad because her doctor prescribed a drug for which the VA was not going to pay. We do not want the Government bureaucrat in the medicine cabinet of the senior citizens of America. We do not want the Government bureaucrat coming between the doctor and the patient. We see that in the VA program.

What we have done in the legislation is to build upon a 40-year practice of the Federal Government, and all health care, but particularly for prescription drugs for Federal employees, through the Federal Employees Health Benefits Plan. We do not pretend to duplicate that plan, but there is some good experience of those plans negotiating with drug companies to bring down the price of drugs. So we do not have to have the Federal Government negotiating drugs. In fact, as I said, we specifically do not want it negotiating it. We do not want the bureaucrat in your medicine cabinet because we have plans that have been set up in this bill to negotiate with drug companies to bring down the price of drugs, exactly the same way the plans for the Federal employees bring down the price of drugs. They are very well thought out and a very good practice, but, most importantly, we do not want to duplicate the shortcomings of the Veterans' Administration program.

The second point I would give further explanation to is the exchange that went on belittling the AARP for backing this legislation. I compliment the AARP because we would not have a bill without the AARP backing this legislation, because the AARP had the capability of helping us get a bipartisan coalition. Without them, we would not have had a bipartisan coalition, and you do not get anything done in the Senate that is not done in a bipartisan way.

Now, what is odd about Democrats finding fault with the AARP backing this bipartisan bill is that the year before, in 2002, the AARP was backing Senator KENNEDY's bill. So it seems to me that for Democrats the AARP is OK if they are backing a Democrat bill, but if they want to back a bipartisan bill, it is a sin for the AARP to do such a thing.

The AARP is looking at individual pieces of legislation, looking out for the greater good of their members, and helping get a product as opposed to, presumably, people on the other side of the aisle who want an issue rather than a product. So I think the AARP has done very well. I compliment them for doing that. We would not have a bill without them.

What Democrats have to get over is that the senior citizens of America are not Democrat property. They are individual Americans, and they ought to be seen as individual Americans, and they and their organizations not be denigrated because the Democrats think they have a grip on all seniors of America; they do not. But that is the resentment toward the AARP.

Another issue I want to explain is the impression that we have given the bureaucracy 2 years to institute the permanent program for the reason that we wanted to get way beyond the next election. It was said that maybe the first Medicare Program, in 1965, was implemented in 8 months. I was told it was a little over a year. So, to me, 2 years—38 years later—to do the first major improvement to Medicare in 38 years, to do it right—and it was not the President who decided it would take 2 years, as was indicated. Way back when we were dealing with the tripartisan bill, in the year 2002, I and my staff asked the bureaucracy: We want this done right. How much time should we give you to implement it? These nonpolitical people, being honest with us, said about 2 years. So we gave 2 years for the implementation of it. It had nothing to do with the President of the United States. It had nothing to do with the upcoming election. It is just our desire that if you are going to implement the first improvement in Medicare in 38 years, you ought to do it right. It was not our judgment of how much time it takes but a nonpolitical judgment of how much time it takes. That is what we were told, and that is what we did.

We do not wait for 2 years for this program to kick in. We have the temporary program that starts June 1, the discount card, and the subsidy for low-income people to get $600 this year and $600 next year to help them buy drugs while we are waiting to get the permanent program in place. Congress made that decision to take 2 years, not the President of the United States.

Now, there was also, throughout this discussion we heard, all sorts of insinuations that somehow this is a bill to benefit pharmaceuticals. Well, let me tell you, if the pharmaceutical companies had their way, there would not be any bill. But they knew there was going to be a bill. The drug companies that patent prescription drugs do not want generics out there. A very major provision of this bill to bring down the cost of drugs is that provision that does away with the legal subterfuge by which drug companies extend the life of their patent by making arrangements today with generic companies to keep their drug off the market, and they pay them to do it, so that, effectively, the patent is extended beyond 17 years. We did away with that. The pharmaceutical companies did not want that provision changed but we did that.

Another impression that is misleading has to do with the true cost of this bill. We hear the Congressional Budget Office says it is $395 billion. Then a month or two later the Center for Medicare Services says it is $535 billion.

Mr. President, is my time up?

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. GRASSLEY. Would the Senator from Minnesota allow me to have 2 more minutes?

The PRESIDING OFFICER. I think the Senator had 15 minutes in his original request, so he has 5 more minutes.

Mr. GRASSLEY. I thank the Chair.

The bottom line is, we have these accusations about what the true costs are. So I want to respond to those accusations we have heard that the ''true costs'' of the Medicare bill were somewhat hidden from Congress before the final vote. This is simply political, election year hyperbole. The opponents of the drug benefit are making this claim because the final cost estimate from the CMS Office of the Actuary was not completed before the vote took place.

Let me be very clear. The cost estimate was not withheld from Congress because there wasn't a final cost estimate from CMS to withhold. Their cost estimate wasn't even completed until after December 23, long after the House and Senate vote.