

health care purchasers, from academic scholars. The task force has not yet released their report to us or to the American people. We await that. It is a very important initiative by the administration that we mandated to them. Off the Hill, a number of forums have been held since March.

I mention all of this because I don't want the impression left that this issue, which is important to the American people—and we want less expensive drugs, but we want them to be safe drugs—is not being addressed by this body or other people concerned. I will continue to work with the other side. I know there will be a huge push in these next 17 days to get this up for a vote. I just don't think with the issue of safety and the amount of attention it is going to require on the floor of the Senate, when we are talking about the safety of those seniors and others who depend on these lifesaving drugs, I don't think we can address it adequately in the next 17 days.

I yield the floor.

#### RECOGNITION OF THE DEMOCRATIC LEADER

The PRESIDING OFFICER (Mr. ENZI). The Democratic leader is recognized.

#### ESCALATING COSTS OF MEDICARE

Mr. DASCHLE. Mr. President, I ask unanimous consent that a USA Today story entitled "Medical costs eat at Social Security" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From USA Today, Sept. 14, 2004]

#### MEDICAL COSTS EAT AT SOCIAL SECURITY (By William M. Welch)

WASHINGTON.—With a new Medicare drug benefit set to begin in 2006, Americans 65 and older can expect to spend a large and growing share of their Social Security checks on Medicare premiums and expenses, previously undisclosed federal data show.

Information the Bush administration excluded from its 2004 report on the Medicare program shows that a typical 65-year-old can expect to spend 37% of his or her Social Security income on Medicare premiums, copayments and out-of-pocket expenses in 2006. That share is projected to grow to almost 40% in 2011 and nearly 50% by 2021.

Unless Congress does something to hold down costs confronting seniors, the official projections suggest that health spending will consume virtually the entire amount of Social Security benefits when children born today reach retirement age.

The table was provided by the Department of Health and Human Services at the request of Rep. Pete Stark, D-Calif. Stark, who opposed the drug benefit enacted last year at President Bush's urging, sought the data after noticing that a chart included in previous annual reports was not in the 2004 version.

Stark charged that the administration threw out the chart because it shows future Medicare costs under the new law will erode Social Security checks.

"It doesn't look good to lie to grandma, so the Bush administration has withheld infor-

mation and come up with other creative ways to mask the damage they have done to Medicare," Stark said.

Richard Foster, Medicare's chief actuary, said the program's trustees—administration officials and appointees—replaced the chart with a graph that lacks specific numbers in an effort to show that the increased costs come with a new benefit.

"The table makes it look like beneficiaries are worse off than ever, and that's not the case," Foster said.

Bill Pierce, a spokesman for Health and Human Services Secretary Tommy Thompson, said the administration wasn't trying to hide anything. "We have a new program, and it's got to be reflected with new information," he said.

The drug benefit is voluntary. It requires a premium, estimated at \$420 a year initially, and substantial copayments. The administration estimates participants will save about 50% on their drug bills.

Critics of the law say the new figures show it does little to restrain drug costs. The law prohibits the government from negotiating lower drug prices.

The data "ironically are the clearest proof of the new Medicare law's failures and the resulting squeeze on seniors' pocketbooks," said Ron Pollack, head of Families USA, a health advocacy group.

The disclosure comes just days after the administration announced Medicare premiums will rise by 17% next year due to rising health costs.

Foster is at the center of another dispute over missing data. He says he withheld from Congress higher cost estimates for the Medicare law last year, at the direction of a Bush appointee who headed the Centers for Medicare and Medicaid Services. Congress approved the law based on a 10-year, \$400 billion estimated price tag. Foster's estimate was \$540 billion.

Mr. DASCHLE. Mr. President, I appreciate the opportunity to listen to the colloquy both Senators DORGAN and FRIST have engaged in. Coincidentally, I had intended to come to the floor to talk about the new report that was released on the front page of USA Today citing the dramatic increase in Medicare costs and the impact these costs will have on seniors' Social Security benefits.

In 2005, 19 percent of Social Security benefits are going to go to Medicare expenses. But according to the USA Today article:

a typical 65 year old can expect to spend 37% of his or her Social Security income on Medicare premiums, co-payments, and out-of-pocket expenses in 2006. That share is projected to grow to almost 40% in 2011 and nearly 50% in 2021.

According to the article, by 2026, over half of a senior's Social Security benefits will be consumed by cost increases under Medicare, including cost increases associated with the new part D drug benefit.

Think about that: we are on pace to see nearly half of the benefit seniors depend on under Social Security consumed by cost increases under Medicare.

Unfortunately, I think the Senate and the country took a step backward when the Senate made the decision last year to pass the legislation it did. Part of the reason for these increases is that the new law will do almost nothing to

bring down the cost of prescription drugs. Another reason is that the law and this Administration is overpaying HMOs.

There are ways we can address the dramatic cost increase this chart represents, ways to protect seniors' Social Security and lower drug prices. The first is to do what Senator DORGAN has suggested, and that has bipartisan support: allow reimportation of drugs from Canada.

Canada has exactly the same drug, the same corporation, the same everything, and yet the drugs available there are oftentimes 50 to 60 percent cheaper than they are in this country. If a senior citizen can go to another country to acquire those drugs, why in heaven's name would we prevent them from doing so?

I have heard the distinguished majority leader say that safety is a factor and that we ought to consider safety as we consider providing access to these drugs. Well, I would say cost is a safety issue as well. I have talked to countless seniors in South Dakota who are rationing their own medication because they cannot afford it. If, based on cost, our seniors are not able to take the drugs they need, no one can tell me that is safe. When one rations drugs, when one does not take them all, when one splits pills, when one makes a choice between nutrition and medicine, how safe is that? That is exactly what is going on today.

We've already made the decisions to ensure these drugs will be safe. We should not have to worry about another report or another bureaucratic response. Our seniors are not prepared to wait any longer. We have debated this long enough. Reimportation ought to be the law of the land today. That is one way, perhaps the easiest, simplest, and most compelling way, to deal with the cost issue immediately.

There is a second way to address rising costs. A second way is to do for seniors what we already do for veterans and for our military. What do we do for them? The Government negotiates with the drug companies to bring down prices.

In most cases, drug prices for veterans are at least 60 percent lower than they are for seniors. The only reason they are that much lower is because the Government has the authority to negotiate these lower prices.

Why in heaven's name would people object to extending this concept to seniors as well? On that issue, the drug companies won; we lost. There is a specific prohibition against Medicare negotiating lower prices for seniors, and I think that is an outrage. We ought to pass legislation to allow Medicare to negotiate lower drug prices.

The third thing we can do is to pass legislation that has at least two forms today—and there may be other ideas. Senators STABENOW and KENNEDY have offered a very good bill that would say we cannot increase Medicare premiums beyond the cost of living next year,

hold it at that. I have a bill that would do something similar. It says premiums for Part B and Part D of Medicare cannot exceed 25 percent of the cost-of-living allowance provided to Social Security beneficiaries. Both of these bills would help keep costs down for seniors.

So we do not lack ways in which to address the cost issue. What we lack is will, a commitment, a determination to bring the issue to the floor.

We all lament the dramatic increase in the cost of health care, but we are not going to solve it unless we are willing to take some action. We can go through more hearings, we can go through a lot more reports, but reports and hearings are not going to get the job done. This Senate needs to act.

I am amazed at the degree to which the finger-pointing continues to go on and on, with the tired and lame excuse that it is somehow the Democrats' fault that we have not addressed reimportation, that we have not addressed any of the other pending issues. We have had specific commitments on mental health parity and that bill is now unlikely to be addressed, even though we have had very specific commitments to take up mental health parity in the Senate. That has not happened because there is a lack of commitment and energy on the other side.

We have not been able to deal with the FSC bill, the welfare reform bill, the tax bill, the highway bill, in large measure because our Republican friends have not been able to agree among themselves. So all of these and other issues continue to languish. This is a do-nothing Congress and in large measure it is do-nothing because they have done nothing to bring themselves together and force these issues on to the Senate floor to allow us the opportunity to vote and to do the right thing.

Senior citizens deserve better than that. Those who are in this country looking to the Senate for answers on all of these and other issues deserve better than that. I hope we can make the most of what limited time we have remaining so we can do better than that.

#### THE FEDERAL GOVERNMENT MUST KEEP ITS EDUCATION PROMISES

Mr. DASCHLE. Mr. President, throughout America, another new school year is beginning. As children settle into new classes and parents meet their children's new teachers, we are reminded once again of the importance of public education to America's future.

Good, strong public schools are not a Democratic or a Republican concern; they are a cornerstone of American democracy. They are what has helped America create the most innovative, powerful economy the world has ever known and they are essential to the survival of the middle class in this country.

Nearly 3 years ago, Congress passed the No Child Left Behind Act containing the most far-reaching changes in Federal education policy in nearly 40 years. Recently, States released their second annual No Child Left Behind report cards, showing how their schools are measuring up under the new law. This afternoon, I would like to talk briefly about how the Federal Government is measuring up—whether we are keeping the promises we made under No Child Left Behind and other important education laws.

All of us know that, if we mention No Child Left Behind at a town hall meeting, we are just as likely to hear boos as we are to hear applause. Why is that?

One reason is because of some basic design flaws. What seemed to work well on paper, we are discovering, may not work as well in practice. Parts of No Child Left Behind need fine-tuning.

There were also some problems, early on, with the way the administration was implementing the new law. Fortunately, some of those problems are starting to be addressed. Yesterday, Senator KENNEDY introduced legislation to make sure the No Child Left Behind Act is implemented correctly. No one understands the No Child Left Behind Act better, and no one worked harder with President Bush to pass it. We ought to have a serious debate—and a vote—on Senator KENNEDY's bill this year.

Unfortunately, the administration and Congressional Republicans remain unwilling to acknowledge one of the biggest impediments to the success of the No Child Left Behind Act: inadequate resources.

Our Republican colleagues cite numbers to show that education funding is increasing. With all due respect, their numbers miss the point. The question isn't: Is the Federal Government spending more on education? The question is: Is the Federal Government providing States with the resources they need to make the No Child Left Behind Act, and other Federal education mandates, work? The answer is no. The President's budget for this year provides the smallest increase in education in nearly a decade. Over the last 3 years, the President's budgets have shortchanged No Child Left Behind by \$26 billion.

We all know that more money alone won't make schools better. But we also know that money does matter. It costs money to make the changes the No Child Left Behind Act requires. It costs money to put a highly trained teacher in every classroom. It costs money to test every student, every year, in grades 3 through 8. It costs money to produce and distribute the school report cards that are required under the new law, and to collect and analyze all the data that go into those report cards.

The No Child Left Behind Act aims to close the achievement gap by raising the educational achievement of poor

and minority students and students with disabilities. This is a noble and necessary goal. Yet, year after year, the programs that actually help close that achievement gap are the very programs that are the most seriously underfunded. In the President's budget this year, 80 percent of the total shortfall in the No Child Left Behind Act is in Title I programs. The children and schools that need the most help are instead targeted for the biggest funding shortfalls.

Shortchanging Title I and other parts of the No Child Left Behind Act means denying schools the resources they need to succeed—then punishing them for not measuring up.

Refusing to fund No Child Left Behind adequately also undermines local control of schools. Rapid City, SD, is a good example. Parents and educators in Rapid City have come up with an innovative plan for a new, year-round school that would provide extra help to low-income children. It would also work with the children's parents so they can be better partners in their children's education. It is exactly the kind of intensive help that is needed to close the achievement gap. But Rapid City doesn't have the Title I resources to make it a reality.

The underfunding of the No Child Left Behind Act is a major reason that legislators in 17 States—many of them Republican-controlled States—have endorsed bills protesting the law.

The President's budget also provides less than half of what Congress agreed nearly 40 years ago was Washington's fair share of special education costs.

The National Council of State Legislatures estimates the cost of unfunded Federal mandates will hit an unprecedented \$34 billion this year. The two most expensive unfunded Federal mandates? No Child Left Behind, and special education. In South Dakota, the shortfall this year just in these two programs is \$61 million; \$30 million for No Child Left Behind, and \$31 million for special education.

Accountability is critical. But accountability has to work both ways. If the Federal Government passes a law, we ought to fund it adequately—not push the cost off on State and local taxpayers.

In South Dakota, we have a State law that allows school districts to "opt out" of the State freeze on local property taxes if they can't provide basic educational programs and still balance their budgets. These are not cases where communities choose to pay higher taxes in order to pay for extras. Before districts can even seek an opt out agreement they have to have already made significant budget cuts.

The number of districts seeking such agreements has increased dramatically since No Child Left Behind was passed. Today, 46 percent of South Dakota school districts are operating under opt out agreements. Think about that: Nearly half the school districts in South Dakota are raising local property taxes, in part to make up for the