

By Mr. LAUTENBERG (for himself, Mr. REID, Mr. CORZINE, Ms. MIKULSKI, Ms. LANDRIEU, and Mr. SCHUMER):

S. Res. 262. A resolution condemning the statements of former Education Secretary William J. Bennett; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Mr. STEVENS, and Ms. MURKOWSKI):

S. Con. Res. 56. A concurrent resolution expressing appreciation for the contribution of Chinese art and culture and recognizing the Festival of China at the Kennedy Center; to the Committee on Foreign Relations.

#### ADDITIONAL COSPONSORS

S. 267

At the request of Mr. CRAIG, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 267, a bill to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

S. 569

At the request of Ms. SNOWE, the names of the Senator from Washington (Ms. CANTWELL), the Senator from Vermont (Mr. JEFFORDS), the Senator from Washington (Mrs. MURRAY) and the Senator from Maryland (Mr. SARABANES) were added as cosponsors of S. 569, a bill to improve the health of women through the establishment of Offices of Women's Health within the Department of Health and Human Services.

S. 756

At the request of Mr. BENNETT, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 756, a bill to amend the Public Health Service Act to enhance public and health professional awareness and understanding of lupus and to strengthen the Nation's research efforts to identify the causes and cure of lupus.

S. 910

At the request of Ms. SNOWE, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 910, a bill to require that health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations.

S. 1035

At the request of Mr. INHOFE, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1035, a bill to authorize the presentation of commemorative medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th century in recognition of the service of those Native Americans to the United States.

S. 1403

At the request of Mr. WYDEN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor

of S. 1403, a bill to amend title XVIII of the Social Security Act to extend reasonable cost contracts under Medicare.

S. 1440

At the request of Mr. CRAPO, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1440, a bill to amend title XVIII of the Social Security Act to provide coverage for cardiac rehabilitation and pulmonary rehabilitation services.

S. 1700

At the request of Mr. COBURN, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1700, a bill to establish an Office of the Hurricane Katrina Recovery Chief Financial Officer, and for other purposes.

S. 1716

At the request of Mr. GRASSLEY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1716, a bill to provide emergency health care relief for survivors of Hurricane Katrina, and for other purposes.

S. 1725

At the request of Ms. COLLINS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1725, a bill to strengthen Federal leadership, provide grants, enhance outreach and guidance, and provide other support to State and local officials to enhance emergency communications capabilities, to achieve communications interoperability, to foster improved regional collaboration and coordination, to promote more efficient utilization of funding devoted to public safety communications, to promote research and development by both the public and private sectors for first responder communications, and for other purposes.

S. 1749

At the request of Mr. KENNEDY, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1749, a bill to reinstate the application of the wage requirements of the Davis-Bacon Act to Federal contracts in areas affected by Hurricane Katrina.

S. 1779

At the request of Mr. AKAKA, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1779, a bill to amend the Humane Methods of Livestock Slaughter Act of 1958 to ensure the humane slaughter of nonambulatory livestock, and for other purposes.

S. 1793

At the request of Mr. BINGAMAN, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1793, a bill to extend certain apportionments to primary airports.

S. CON. RES. 37

At the request of Mr. DEWINE, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. Con. Res. 37, a concurrent resolution honoring the life of Sister Dorothy Stang.

S. CON. RES. 48

At the request of Mr. DURBIN, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. Con. Res. 48, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued to promote public awareness of Down syndrome.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. WYDEN):

S. 1805. A bill to repeal the increase in micropurchase authority for property and services for support of Hurricane Katrina relief and rescue operations; to the Committee on Homeland Security and Governmental Affairs.

Mr. DORGAN. Mr. President, Senator WYDEN and I are introducing legislation today to change a provision in law that was attendant to the emergency supplemental passed recently dealing with hurricane Katrina. That provision in law increased the amount of money that would be available to be spent on a Government credit card from \$2,500 to \$250,000. That is right—\$250,000 for purchases on a Government credit card.

Here is what a Government credit card looks like. There are about 390,000—somewhere in that neighborhood—390,000 Government credit cards in the country. I have three GAO reports that describe substantial abuse and misuse of these Government credit cards.

The proposal that passed this Congress attendant to the hurricane emergency relief says that on these credit cards, the limit will go from \$2,500 to \$250,000. Let me describe for a moment what the GAO found in various investigations.

What has been charged to a Government credit card? Hiring prostitutes, gambling, breast-enlargement surgery—yes, it was for a girlfriend of somebody who had a Government credit card—cigars, mounting a deer head, jewelry, wine, and the list goes on.

Now the limit goes to \$250,000. We aim to take it back to \$2,500. It will still have the emergency capabilities that existed since 9/11 which will allow a \$15,000 limit under emergencies.

We had a hearing at which a professor from GW Law School who is an expert in this area of Government procurement testified. Here is what he said about the \$250,000 credit card limit:

The potential for abuse is staggering.

Everybody knows that: "The potential for abuse is staggering." If you don't believe it, take a look at the GAO reports with respect to the abuse when the limit was \$2,500. Now it is \$250,000 for a credit card purchase? Who is going to stand up for the interest of the taxpayers?

This fellow, Mr. Safavian, was the top contracting officer for purchases of

the Federal Government. He just said several weeks ago about the \$250,000:

This guidance—

That he and OMB would provide—

This guidance helps make sure that adequate management controls are in place to ensure that taxpayers' dollars are spent efficiently and responsibly in support of disaster victims.

Meaning the new \$250,000 on credit cards will be spent efficiently and responsibly. That is from David Safavian, Director of the Office of Procurement and Policy. The problem is, Mr. Safavian was arrested by the FBI on September 19 and charged with lying to an ethics officer and so on. He is the guy who gave us the assurance that taking the credit card from \$2,500 to \$250,000 will be just fine because there are all these limits in place and it will be spent wisely and efficiently. Yes, and the Moon is made of green cheese.

Who is going to believe this, especially when we have the GAO reports that show past abuses with even the \$2,500 limit, which includes the hiring of prostitutes on Government credit cards? It includes breast-enlargement surgery on Government credit cards. When on Earth will people wake up and start thinking?

So Senator WYDEN and myself are today introducing legislation to say, How about let's sober up and think through this the right way on behalf of the American taxpayers.

We want to help hurricane victims, no question about that. But I do not want people walking around with credit cards that have a \$250,000 limit that say U.S. Government on them, in a way that the GAO says puts us at risk and in a way that Government procurement experts tell us is very dangerous for the American taxpayer.

I am pleased to do this with my colleague, Senator WYDEN. For the past several years, Senator WYDEN and I have taken a look at a whole range of wasteful issues. I might just say that Senator WYDEN and I, a while back, found deep in the bowels of the Pentagon there was a plan to create what was called a futures market for terrorism. I think they were preparing to spend another \$8 million on it. And, yes, they were going to actually have a futures market for terrorism so that people could make wagers buying futures contracts on things such as how many American soldiers will be killed in the next year, will the King of Jordan be assassinated within the next year. One could actually wager and make money by betting on those kinds of things.

Senator WYDEN and I blew that wide open. The next day, both Secretary Rumsfeld and the President said they did not know it was going on. They shut it down and it is all over. In my judgment, that was unbelievably stupid as a public policy, whoever allowed that to happen. It is now shut down.

A lot of bad things happen in circumstances where no one is watching. In this case, with credit cards that

have a \$250,000 limit, there is something fundamentally wrong with that. I do not know who put that in the emergency supplemental. It should not have been there. But it was there. We aim to repeal it on behalf of the American taxpayer.

Mr. WYDEN. Will the Senator yield?

Mr. DORGAN. I would be happy to yield to my friend from Oregon.

Mr. WYDEN. I appreciate my colleague yielding to me and particularly highlighting the need for some real accountability and protection for the taxpayers at this time. We are seeing expenses for the Government—the war in Iraq, the various disasters that have hit—exploding to the point where people are saying, well, let us hold off on giving senior citizens some help with their prescription drugs.

I think what the Senator is saying is, before one takes those kinds of steps, put the brakes on the opportunity for ripping off taxpayers.

I want to ask the Senator a question that really stunned me. There are now about 392,000 Federal employees who have these credit cards across the country. We have been trying to figure out how many folks have them on the gulf coast and how many of the folks have this \$250,000 authority. The two of us feel very strongly that there are a lot of dedicated people down there who are working very hard and nobody is suggesting otherwise, but what possible argument would there be for not having something along the lines of some guardrails to try to make sure that people did not abuse these credit cards?

That strikes me as a pretty modest step, just have some guardrails rather than saying, look, go out and take \$250,000 worth of authority and we will see what happens.

Mr. DORGAN. Mr. President, in answer to the Senator's request, he is asking that of perhaps 390,000 credit cards that exist in the possession of Federal workers, do we know how many have this \$250,000 limit? We do not have the foggiest idea.

The Senator indicated we want to help people who are dealing with the hurricane. Our interest is not in pulling the rug out from under people who are working and trying to respond to the devastation of these hurricanes, but I am not interested in paving the way for additional waste, fraud, and abuse with the misuse of Federal credit cards.

Yes, there are thousands of dedicated public servants who will use these responsibly, but increasing the limit from \$2,500 to \$250,000, in my judgment, is fundamentally irresponsible, and we aim to take it back with this amendment and aim to offer this amendment to the next supplemental that deals with this hurricane.

I will yield the floor so my colleague from Oregon can have the floor, and I would like to propound a question at some point later when he finishes his statement.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, it seems to me that the bottom line is we want Federal workers in the hurricane zone to have all the tools they need to get the job done. But a month after the hurricane hit, we do not need \$250,000 worth of authority on a credit card. One needs permission to spend that kind of money. The fact is, under the current rules one can have it when they need it, just not on a credit card where they do not even have to ask. This is a commonsense step.

Senator DORGAN indicated if somebody needs to spend more than \$15,000 a shot, there are already streamlined, simplified acquisition procedures in place to let them do that. Those procedures at least have some oversight. The two of us supported the Katrina bills that came through the Congress. We support the rule that was already in place that increases the spending power of these cards by a reasonable amount in an emergency from \$2,500 to \$15,000. What the two of us feel strongly about and what we do not support is how can one support excessive spending without any safeguards at all?

We heard from a Dr. Yukins at George Washington that there is extraordinary potential for abuse here. Dr. Yukins said it was staggering.

In looking at Government waste at a variety of agencies, Senator DORGAN and I have come to the conclusion that when one is talking about the Department of Homeland Security, when one is talking about the Federal Emergency Management Agency, and when one is talking about the Department of Defense, what one needs is more accountability and more oversight rather than less.

In Homeland Security, we have seen massive outlays for ineffective programs to hire the TSA screeners. At FEMA, it is hard to know where to start there, but folks may have heard on public radio yesterday that a Government Accountability Office audit more than a year ago said that only one in several dozen FEMA employees could prove that they had done the proper paperwork for procurement authority.

When it comes to Iraq, all one needs to do there is talk about Iraqi contracts. Senator DORGAN and I have tried to put in place some oversight and some accountability there, and we will continue on that as well. So this is not the only avenue for abuse of taxpayer dollars. If one wants to come to the floor and talk about no-bid contracts and the like, there is plenty to dig into in terms of more oversight and more accountability for our taxpayers. This is a commonsense step that the Senate can take.

I have listened to Senator COLLINS on this issue, as well as Senator GRASSLEY. A number of colleagues on both sides of the aisle have expressed concern about this in effect blank check to use credit cards, and use them on some pretty high ticket items.

I am going to yield the floor back to Senator DORGAN, but given the fact that there is a catalog of abuses—this happened outside the hurricane zone before anybody knew about Katrina—let us now deal with an emergency, let us recognize that there are different spending needs given that emergency, but let us also make sure that there are some safeguards in place to make sure the taxpayers' interests at a critical time when costs in Government are exploding, let us make sure there are some safeguards in place to protect the public.

I yield the floor.

Mr. DORGAN. Mr. President, I conclude by pointing out that, yes, others have described their concern about the \$250,000, and some have talked about a \$50,000 limit and other approaches. Senator WYDEN and I say that we ought to go back to the old limit, \$2,500 per credit card per transaction. That is why we introduced this legislation and hope that our colleagues will agree.

Again, this is what the credit card looks like. There are nearly 400,000 that are possessed by Federal workers. We do not allege that these are not dedicated public servants. We do allege that at least in some instances, according to three GAO reports, there have been massive abuses. These are just a few.

I put up another chart about them: Liquor, gambling, mounting a deer head, cigars, ski clothes and diamond rings, not to mention hiring prostitutes and breast enlargements—all put on Government credit cards.

Does that make a person look and pay attention? Of course. Should that be happening? Of course not.

The \$250,000 limit on the credit card, this is what Professor Yukins said, who is an expert in these areas:

[T]he Administration has announced various protective measures. . . . It appears, however, that those additional protections will not address the core problem with the new procurement exceptions: Under the new law, agencies will be able to spend billions of relief dollars without any of the competition, transparency or other legal rules that normally protect our procurement system.

I ask my colleagues how this got into the supplemental bill, taking it from a \$2,500 to a \$250,000 limit on a Federal Government credit card. How did that happen? When one looks at that they say: Wait a second, we are going to increase the limit on a credit card from \$2,500 to \$250,000? What on Earth are you thinking about?

Well, it came from the White House. The White House made the specific request, believing in the wake of Hurricane Katrina people were going to need emergency capabilities to do these kinds of purchases. So the White House said they wanted an increase to \$250,000. The person they sent down to brief staff in the Senate of how this would work and why it is necessary was Mr. David Safavian. He was the head of all procurement policy at the Office of Management and Budget in the White House.

What did he tell us publicly and what did he tell the American people? "This guidance"—guidance about procurement with the \$250,000 limit on a credit card:

This guidance helps make sure that adequate management controls are in place to ensure that taxpayers' dollars are spent efficiently and responsibly in support of disaster victims.

That was said 2 weeks before Mr. Safavian's arrest by the FBI for lying. This is the person who came to brief the Senate staff about why the \$250,000 limit on credit cards was necessary.

It not only is not necessary, it is terribly unwise. In my judgment, unless changed, from this we will see a dramatic amount of waste, fraud, and abuse. There is a right way and a wrong way to do things. I guarantee this proposal to increase credit card limits for Federal employees to \$250,000 is the wrong way.

Senator WYDEN and I are going to do everything we can to see if we cannot in more sober moments persuade everyone here that we ought to go back to the previous limits and that we ought to enforce them the right way. The GAO's reports say that even with the \$2,500 limits, there are serious problems with the use of these Federal credit cards.

That is our proposal. I want to thank my colleague from Oregon with whom I have worked on a number of occasions on many areas of Federal waste. Yes, this is a big old government, a big bureaucracy. There are wonderful people who work in it, and it does wonderful things. There are also areas of waste that make me furious. Senator WYDEN and I have worked on that in a number of areas, in a number of ways, and I hope we can continue to do that. This is a preventive way to try to restore that \$2,500 as a limit on Federal credit cards.

I yield the floor.

By Ms. SNOWE (for herself, Mr. KERRY, Mr. VITTER, Ms. LANDRIEU, Mr. TALENT, Mr. KENNEDY, Mr. CORNYN, and Mr. BAYH):

S. 1807. A bill to provide assistance for small businesses damaged by Hurricane Katrina or Hurricane Rita, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. SNOWE. Mr. President, I rise today to bring to the attention of the Senate a bill, the Small Business Hurricane Relief and Reconstruction Act of 2005, which provides a comprehensive package for immediate emergency resources to help the victims of Hurricane Katrina rebuild their lives and their businesses.

As we are well aware, the entire gulf coast of the United States has been ravaged by the disaster of Hurricane Katrina. No natural disaster in this country in recent memory has carried with it the devastation and horror we have witnessed in the recent weeks.

Many lives have been lost and damages are projected in the hundreds of billions of dollars. The President and Congress have already provided over \$61 billion in emergency funds.

While we work to reestablish communities and provide some stability to the affected areas, we must consider the enormous economic impact this catastrophe has had on the region and on our entire Nation. This impact is particularly pronounced for the vital small business sector. With over 800,000 firms damaged in the hurricane-affected region, employment in the Louisiana, Mississippi and Alabama area may be reduced by over a million jobs! Moreover, our economy which has recently recovered from recession, thanks largely to our small businesses which have created three-quarters of all new jobs, could be dampened by as much as a full percentage point.

As chair of the Committee on Small Business and Entrepreneurship, I am committed to do everything in my power to provide immediate and necessary support to rebuild this region and to help sustain our economy. I want to ensure that every American affected by this hurricane has the resources to begin rebuilding their lives, their businesses, and their dreams.

I would like to thank my colleagues, Senator KERRY, Senator VITTER, Senator LANDRIEU, Senator TALENT, Senator KENNEDY, Senator CORNYN, and Senator BAYH, for cosponsoring this bill. This bill includes all of the provisions that were in prior hurricane relief legislation that I introduced with Senator VITTER and Senator TALENT but also includes several additional provisions and improvements to pre-existing provisions.

The provisions of this bill were contained in an amendment that I proposed, amendment No. 1717, to the Commerce, Justice, and Science Appropriations Act of 2005, H.R. 2862. I would like to thank my colleagues, Senator KERRY, Senator VITTER, Senator LANDRIEU, and Senator TALENT, for cosponsoring that amendment. The amendment was approved in the Senate by a rollcall vote of 96 to 0 on September 15, 2006, and subsequently passed the Senate in the Commerce, Justice, and Science Appropriations Act on that same day.

Senator VITTER, Senator TALENT, and I also introduced the provisions of S.A. 1717 as a stand-alone bill, S. 1724, on September 19, 2005. We took this step in order to begin the process of enacting these provisions into law more quickly than might occur through the Commerce, Justice, and Science Appropriations Act, which must still complete its Senate-House conference.

Today we are introducing an expanded package of provisions to increase the assistance provided to victims of the hurricane, who require immediate assistance. Because the Federal Disaster Loan program administered by the Small Business Administration issues disaster loans to businesses, homeowners, and renters, this

legislation would have a significant impact on many facets of the efforts to rebuild the areas damaged by Hurricane Katrina.

Because of the importance of this rebuilding challenge, I chaired a hearing in the Committee on Small Business and Entrepreneurship on September 22, 2005 to address the impact that Hurricane Katrina and Hurricane Rita have had on small businesses. At that hearing, the Committee heard testimony from the Administrator of the Small Business Administration, Hector Barreto, who explained the unprecedented scope of the SBA's response to these disasters. In addition, the director of the SBA's Disaster Assistance Program, Herb Mitchell, testified about the SBA's actions thus far, and its plans for the continuing recovery.

The committee also heard testimony from seven representatives of small businesses, and of small business development centers, in the gulf coast region. These witnesses, who traveled from Louisiana, Mississippi, and Alabama for the hearing, described to the committee the devastation that has occurred to their businesses and communities and various steps they believe would assist in the rebuilding process.

Many of their recommendations were contained in the legislation I had introduced last week, S. 1724, and the legislation I am introducing today includes other provisions stemming from the committee's hearing and their testimony.

The Small Business Administration is and must be at the forefront of this massive relief effort, playing a significant role in assisting impacted communities. This bill will strengthen the SBA's resources and will enable them to pave the pathway to recovery. I have faith that American small businesses will persevere through these difficult times and help lead the region's recovery. It is essential that we work together here in Congress, and put forth the best possible proposal to stimulate our economy and foster job growth.

I have spoken with SBA's Administrator Barreto concerning the various ways to respond to this disaster and assist with the recovery. He informed me that FEMA has referred over 500,000 cases for loan assistance to the SBA, and that the SBA is receiving up to 20,000 calls per day. This is a tremendous volume and a vital challenge that the SBA must satisfy. To date, the SBA has sent out almost 500,000 applications for loans to individuals and businesses, and has received 810 loan applications as of Monday morning, which demonstrates that much assistance is yet to be provided by the SBA. Therefore, it is critical that we act now.

I have included many provisions in my bill that would assist hurricane victims applying for SBA disaster loans. My legislation increases the maximum size of an SBA disaster loan from \$1.5 million per loan to \$10 million per loan

and makes it possible for non-profit institutions damaged by Hurricane Katrina to be eligible for disaster loans.

I firmly believe this legislation is the best possible package to aid families, businesses, and communities through these challenging times. Small businesses must have a fighting chance to survive the economic disaster caused by Hurricane Katrina.

For instance, the bill increases the share of small businesses in Federal prime contracts and subcontracts for rebuilding the damaged areas through meaningful goals, set-asides, subcontracting plans, outreach programs, and HUBZone preferences.

The legislation also allows recipients of disaster loans to increase the size of their loan if the additional amounts would be spent on mitigation efforts, such as sea walls, storm shutters, or better drainage system to prepare for future disasters. This provision was suggested by the administration in its proposal to rebuild the gulf coast region.

The bill also allows the Small Business Administration to offer economic injury disaster loans to small businesses throughout the country if the businesses suffered direct adverse economic impacts from the two hurricanes. The SBA offered these loans nationwide after the terrorist attacks of September 11, 2001.

In addition, the bill protects future borrowers in the SBA's business loan programs from having to pay higher fees to compensate the Federal Government for any defaults that may occur because the businesses of some current borrower who had loans before the hurricane were destroyed in the hurricanes. SBA business loan programs utilize fees to pay for all or part of the programs' costs, and those businesses that default because of the hurricanes would not be included in the calculation of future program costs in the SBA's business loan programs.

The bill addresses concerns about fraud and lack of competition by abolishing the excessive increase in the "micro-purchase" threshold to \$250,000. This increase, slipped into the second hurricane Supplemental Appropriations Act in September 2005, allowed Federal officials to ignore small businesses in awarding contracts up to \$250,000. Micro-purchases are generally strictly limited to \$2,500 and to \$15,000 in case of nuclear attack or military contingency. These purchases allow for convenient credit card transactions by the Federal Government, but are vulnerable to fraud and favoritism.

I have also provided the SBA with the authority to grant victims of Hurricane Katrina up to 12 months to begin repaying their SBA disaster loans which would assist both small and large businesses, homeowners, and renters. This 12-month period could be extended to 24 months at the discretion of the SBA Administrator if he determines that Katrina victims would need

additional time to begin repaying their loans. This would allow also homeowners and businesses additional time to get their lives and businesses restored before being required to begin repaying loans.

This legislation also proposes lowering fees for the 7(a) program to make borrowing more affordable for small businesses both within and outside the disaster areas, many of which have been impacted by the disaster and are struggling to cover higher costs in health care and energy and rising interest rates.

Recognizing the increased demand this disaster will place on all small business lending programs, the amendment proposes increasing the 7(a) lending program from a program level of \$17 billion to \$27 billion, and the 504 lending program from a program level of \$7.5 billion to \$12.5 billion. Both the 504 and 7(a) lending programs are funded entirely through fees, so the increases require no appropriation.

Moreover, this bill increases the program level for SBA disaster loans—physical and economic injury—by approximately \$800 million, requiring an appropriation of approximately \$86 million. The committee is concerned there will not be enough funding for disaster loans available to meet the scope of this disaster, given that the economic injury disaster loans alone for the September 11 attacks amounted to about \$1 billion, and the physical damage for Katrina is considered much more extensive.

The bill also includes a provision requiring the SBA to treat these special provisions as separate from the regular programs, to avoid increasing future subsidy rates, and therefore, the costs for borrowers who rely on those programs. This same protection was provided for emergency 7(a) loans after the September 11 attacks, and for the special disaster loans made after those attacks.

Additionally, many small businesses in the disaster areas will require relief from making payments and interest on 504 loans they had before Katrina hit. Therefore, this amendment includes a provision that authorizes the SBA to cover the payments and interest on existing loans until the small business can resume payments.

Similar to the Supplementary Terrorist Activity Relief, STAR, loans enacted by Congress after September 11, this bill allows the SBA to provide similar loans with lower fees for small businesses located outside the disaster zones but are nonetheless indirectly impacted by Hurricane Katrina. The lowers fees also provides the lenders with an incentive to lend to these businesses.

Importantly, the bill includes protections to mitigate recent reports of past misdirection of loans to nondisaster victims. The protections include requiring lenders to inform borrowers that they are receiving Katrina relief loans, requiring lenders to document to

the SBA how the borrower was adversely affected by Hurricane Katrina, and for the SBA's inspector general to collect the explanations and report to the Senate Committee on Small Business and Entrepreneurship and House Committee on Small Business every 6 months, verifying loans are being used for the intended purposes. Finally, the bill would require the Government Accountability Office to review the implementation of the program, after its completion, and report its findings to Congress. These added protections will ensure that only applicants who really need these loans to recover from the horrific effects of Hurricane Katrina and Hurricane Rita will receive the loans.

Furthermore, the legislation authorizes \$450 million to the affected State governments of Louisiana, Mississippi, Alabama, Texas, and Florida to provide emergency bridge loans or grants to small businesses in the disaster areas that have been adversely impacted by Hurricane Katrina and require immediate access to capital until they can secure other loans or financial assistance. The goal is to disburse the funds quickly, and this measure is based on a successful program that helped victims of the hurricanes in Florida in past years.

With the cost of Katrina relief and rebuilding estimated at over \$100 billion, small businesses, particularly those located in the disaster area and that employ individuals in the affected areas, should receive their fair share of Federal contracting and subcontracting dollars. My bill also attempts to provide critical assistance to small businesses that have been operating in the areas devastated by the Hurricane Katrina by expanding access to Federal contract and subcontracts.

Government projects provide solid business opportunities and prompt, steady pay for small businessmen and businesswomen. In addition, Government procurement would open doors for many local small businesses to participate in the long-term reconstruction work in the gulf coast areas. Prior to the disaster, small construction companies in Alabama, Mississippi, and Louisiana brought home nearly \$500 million in Federal contracts a year. Total small business contracts in the gulf coast region exceeded \$3 billion a year. While many small businesses would benefit from other forms of disaster assistance, many of them are ready to get back to work and into business as soon as possible.

To that end, my bill designates the Hurricane Katrina disaster area as a HUBZone. A HUBZone designation would enable small businesses locating in the disaster area and employing people in that area to receive contracting preferences and price evaluation preferences to offset greater costs of doing business. The HUBZone program was created to direct federal contracting dollars to economically distressed areas. Extending the HUBZone designa-

tion to the gulf coast would bring needed businesses development tools to affected areas.

In addition Mr. President, my bill would increase the maximum size of SBA surety bonds for small businesses from \$2 million to \$5 million, and authorizes the SBA to increase the size of these bonds further to \$10 million. Small contractors vying for work need an increase in bonds to handle greater projects for Hurricane Katrina relief. Local small businesses in the gulf coast can use higher bonds to compensate for the damage to their assets from the hurricane.

My bill would also direct the SBA, its resources partners, and the Federal offices of small and disadvantaged business utilization to create a contracting outreach program for small businesses located or willing to locate in the Katrina disaster area. Finally, my bill would establish small business contracting and subcontracting goals for all Katrina-related contracts and subcontracts to promote greater jobs creation and development, while providing reasonable flexibility to Federal agencies in meeting that goal in light of difficult circumstances on the ground.

Finally I would also like to comment on the funding levels provided for the SBA in this bill. I have authorized the appropriation of \$24.25 million for grants to increase business counseling in the damaged areas for several SBA entrepreneurial development programs including: Small Business Development Center, SBDCs; SCORE; Womens Business Centers, WBCs; Veteran's Business Centers, and Microloan Technical Assistance.

Our Nation's 25 million small businesses prove time and again to breathe new life into our economy, by growing at twice the rate of all firms. And when a disaster strikes, the spirit, determination and will of America's small businesses help to create the firm economic foundation, propelling our Nation's economic growth. Therefore, we in turn must create an atmosphere favorable for small businesses and provide this emergency package to the SBA. We must allow our Nation's small businesses to do what they do best—create jobs.

Mr. President, I urge my colleagues to support this bill. Too much is at stake for small businesses, and the economy as a whole, to allow this critical legislation to languish. Congress must find essential agreement and fulfill its obligation to America's small businesses. Clearly, if we strive for anything less, we fail to support the backbone of our economy, our hope for new innovation, and the entrepreneurs reach for the American dream.

Thank you, Mr. President.

Mr. KERRY. Mr. President, today I join with Senator SNOWE, the chair of our committee, and our colleagues, Senators LANDRIEU and VITTER, to introduce a bill to help small businesses that have been damaged, physically and economically, by one or both of the

hurricanes that have destroyed the gulf region over the past four or five weeks.

Our colleagues should feel very comfortable voting for this bill. The need is undeniable, based not only on what we see on television every day and read in the papers but also based on the testimony of small businesses and governors at hearings held in the Senate, in our committee last week, and this week before the Finance Committee. Further, 96 Senators voted for very similar legislation 2 weeks ago.

This bill is very similar to the amendment (S.A. 1695) that Senator LANDRIEU and I offered to the fiscal year 2006 appropriations bill for the Departments of Commerce, Justice, and Science, and that passed the Senate by a vote of 96 to 0 on September 15 as part of the compromise amendment (S.A. 1717) that I put forth with Senators SNOWE, LANDRIEU, and VITTER. We offered those amendments to the appropriations bill because relief for small businesses had not been provided for in the two emergency supplementals. Two bills, worth some \$63 billion, and nothing designated for small businesses.

It is through the Small Business Administration that disaster loan assistance is available, not just for businesses but for homeowners and renters, and it is through the Small Business Administration that the Federal Government provides the full complement of assistance to the small businesses in our Nation. The SBA is indispensable to the recovery of the gulf region after Hurricane Katrina. If the administration is not going to provide small business relief in the emergency spending bills it sends to Congress, this is absolutely appropriate.

We have got to get into law, and to fund, relief for small businesses before Senators go home for a week break in October. These folks have waited too long. We have got to get people back to work.

Since Hurricane Katrina hit, the gulf has had the extreme misfortune of being hit by Hurricane Rita. And this bill reflects the damage caused by going a bit further to take care of those small businesses, too. It also incorporates provisions requested by the administration. For example, at the request of the administration, the bill authorizes the Small Business Administration to make economic injury disaster loans nationwide to any small business directly and adversely impacted by Hurricane Katrina or Hurricane Rita. The bill limits eligibility of economic injury disaster loans to those small businesses suffering economic losses because of the spikes in gasoline and natural gas and heating oil related to Hurricanes Katrina and Rita. That is consistent with all other provisions in this bill. We also increased the amount of funding for grants to the States from \$400 million to \$450 million, to reflect the increased damage and delays in recovery caused by Hurricane Rita. We also repeal some contracting provisions enacted as part of

the second supplemental that were anti-small business and would have resulted in millions of contracting dollars lost for small businesses that should be getting Federal contracts to rebuild the area. The small businesses don't just need loans; they need work to get revenue flowing again and to hire again, creating local jobs.

Mr. President, I extend great thanks to my colleagues, Senators SNOWE, LANDRIEU, and VITTER for their work on this bill. I think we have demonstrated to a weary public that we can work together, and I hope that our colleagues in the Senate and in the House and the President will join us and vote to make this law and to fund it.

By Mr. BINGAMAN:

S. 1808. A bill to amend title XIX of the Social Security Act to improve the qualified medicare beneficiary (QMB) and specified low-income medicare beneficiary (SLMB) programs within the medicaid program; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce the "Medicare Beneficiary Assistance Improvement Act." This legislation would improve what are referred to as the Medicare Savings Programs, which includes the Qualified Medicare Beneficiary, QMB, and Specified Low-income Medicare Beneficiary, SLMB, and Qualifying Individual-1 (QI-1) programs that provide cost-sharing assistance for low-income Medicare beneficiaries through the Medicaid program. It would also make permanent the QI-1 program, which expires today due to inaction by the House of Representatives to extend the program.

The QI-1 program was established as part of the Balanced Budget Act of 1997 and was authorized for 5 years. In 2002 and 2003, extensions of the program were included in various continuing resolutions. The program was further extended through passage of Public Law 108-448 in 2004, through today's expiration date.

There is no reason that the Congress must participate in this annual last minute scramble to try and extend the program for a few months or a year. It is a disservice to the States, who must watch the Congress closely to constantly prepare to send out disenrollment notices and layoff staff, even though they are relatively certain the program will be extended. But, more importantly, it is a disservice to those that need this important assistance, as many of those enrolled worry this benefit will be taken away and many of those never enrolled never are told of the benefit since States and advocates are spending their time trying to get the program extended rather than conducting outreach.

While I remain very hopeful that the Congress will pass an extension of the QI-1 program for an additional period in the coming week, I am introducing the "Medicare Beneficiary Assistance Improvement Act" today in the hope

that Congress will end this process of temporary extensions and permanently authorize the program, as provided for in this legislation.

To reiterate, low-income senior citizens and disabled Americans nationwide should not be subjected to the constant risk of losing crucial health care benefits. Furthermore, the Centers for Medicare & Medicaid Services, CMS, the Social Security Administration, SSA, and the States should be spared the administrative burdens and cost associated with reauthorizing the program each year—sometimes more than once in a year.

Furthermore, the bill proposes several improvements to the Medicare Savings Programs and application processes that will make these low-income benefits both more efficient to administer and more accessible to the individuals who need them. It would also seek to simplify the process and make the Medicare Savings Programs more understandable to low-income senior citizens and people with disabilities, as well as State and Federal Government officials.

In New Mexico, over 1,500 low-income Medicare beneficiaries receive the QI-1 benefit, which saves them almost \$1,000 in Medicare Part B premium out-of-pocket costs annually. Unfortunately, according to estimates made by the Medicare Rights Center using Census Bureau data, over 11,000 are likely to be eligible. Many are completely unaware of the assistance this program offers.

The same is true among those of us that created the three different Medicare Savings Programs. In fact, I am almost absolutely certain that few of my Senate colleagues could accurately explain how any of these programs work and that is precisely the problem with them. They are intended serve our Nation's most vulnerable, low-income citizens with their Medicare cost-sharing burdens, but do so in a very complicated manner that few can understand. It is no wonder that many of our Nation's elderly and people with disabilities that qualify for this assistance do not participate.

For example, the QI-1 program is Federal grant payment to States for the purpose of paying the Medicare Part B premium, which is \$78.20 per month in 2005 and will increase to \$88.50 per month or over \$1000 per year in 2006, for individuals with income between 120 and 135 percent of the Federal Poverty Level. Through this Federal grant, States must pay the full amount of the Medicare Part B premium for qualifying individuals but may cap or otherwise limit enrollment if the State projects that further enrollment will result in exhaustion of their State allotment.

Six States had enrollment this year that would exceed their allotment so were forced to cap funding. The Centers for Medicare & Medicaid Services, CMS, responded to this problem with a rule on August 26, 2005, that reallo-

cated unspent funding from some States to those that had exhausted their funds in order to eliminate the enrollment caps in the States of Oregon, Arizona, Mississippi, Louisiana, Alabama, and Connecticut.

Three days later Hurricane Katrina hit three of the six States and now their entire health care systems are in chaos, and Congress has failed to act to address their need. While that has gained a great deal of much needed attention and deserves even greater attention from the media and public, the House of Representatives yesterday failed to extend the QI-1 program and went out of session for the week even though it expires today. Senators GRASSLEY and BAUCUS were working with the House of Representatives on a last minute extension through the introduction of S. 1718, but it failed to move in the waning hours of the fiscal year and the House of Representatives took no action whatsoever.

Even though CMS has apparently notified the Congress that it can continue to run the program for a few days, the failure of the Congress to take action in a timely manner to ensure that disenrollment notices are not sent out by the States to an estimated 185,000 low-income Medicare beneficiaries nationwide is absolutely unacceptable and also is deserving of attention and media scrutiny.

Furthermore, while the QI-1 program has always played an important role in helping low-income Medicare afford health care coverage, the QI-1 program would, in the future, play an important role in helping low-income Medicare beneficiaries access prescription drug coverage through Medicare's new drug benefit. Enrollment in the QI-1 program is supposed to automatically qualify a person for the Medicare Part D drug benefit's low-income subsidy beginning on January 1, 2006.

To briefly describe the most critical aspects of the legislation, Section 2 of the bill simply provides for one unified name for the Federal programs that offer cost sharing and benefit assistance for low-income Medicare beneficiaries. Rather than separately referring to the QMB, SLMB, and QI-1 programs, the bill provides one common name for all of these programs, the "Medicare Savings Programs."

Low enrollment in these assistance programs is in large part due to the lack of knowledge and understanding of the programs or benefits offered. This simple change has been pilot tested with Medicare beneficiary groups and found to elicit a positive response and interest from Medicare beneficiaries.

Section 3 of the legislation would make permanent the QI-1 category by incorporating these individuals into the SLMB category at the State Children's Health Insurance Program enhanced matching rate. In addition to simplifying and making permanent the program, States would see a financial benefit from this change.



Section 4 eliminates some of the critical barriers to enrollment. As I noted earlier, just 1,500 of the estimated 11,000 low-income Medicare beneficiaries in New Mexico eligible for the QI-1 benefit are enrolled. This section provides for several important enrollment simplification procedures, such as allowing self-certification of income and continuous eligibility, and expanded outreach efforts.

Section 5 eliminates the limit on assets, which is set at \$4,000 for an individual and \$6,000 for a couple and disqualifies millions of Medicare beneficiaries with very low incomes from qualifying for assistance. Some States have waived or disallowed the counting of some assets for the purposes of eligibility determination and have seen much higher enrollment rates.

I urge the Congress to pass a temporary extension of the QI-1 program early next week, but then to immediately begin work to permanently authorize the QI-1 program and to simplify and streamline all the Medicare Savings Programs. Our Nation's low-income Medicare beneficiaries and the States deserve nothing less.

I ask unanimous consent to print a summary and text of this legislation in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

#### FACT SHEET

#### "MEDICARE BENEFICIARY ASSISTANCE IMPROVEMENT ACT"

Sponsor: Senator Bingaman

Purpose: To amend title XIX of the Social Security Act to improve the Qualified Medicare Beneficiary (QMB) and Specified Low-income Medicare Beneficiary (SLMB) programs within the Medicaid program, and in doing so to make permanent the Qualifying Individual-1 (QI-1) program.

Background: The QI-1 program is a federal grant payment to states for the purposes of paying the Medicare Part B premium, which is \$78.20 per month in 2005 and will increase to \$88.50 per month (over \$1000 per year) in 2006, for individuals with income between 120 and 135 percent of the Federal Poverty Level. Federal assistance for QI-1s was created in the Balanced Budget Act of 1997 for a five-year period and has been extended on a year-to-year basis since December 2002. The program is currently slated to expire on September 30, 2005.

Now is a critical time to make QI-1 a permanent program. Approximately 185,000 low-income Medicare beneficiaries nationwide currently rely on the QI-1 program for payment of their Part B premium and will be hard pressed to afford Medicare coverage without this assistance. The QI-1 program also plays an important role in helping low-income Medicare beneficiaries access prescription drug assistance through Medicare's new drug benefit. Enrollment in the QI-1 program automatically qualifies a person for the Part D drug benefit's low-income subsidy beginning on January 1, 2006.

The legislation would ensure that low-income older and disabled Americans nationwide are no longer at risk of losing crucial health care benefits. Furthermore, states, the Centers for Medicare and Medicaid Services (CMS), the Social Security Administration (SSA) would be spared the administrative burden and cost associated with reau-

thorizing the program each year—sometimes more than once in a year.

Furthermore, the bill proposes several improvements to the QMB and SLMB programs and application processes that will make these low-income benefits both more efficient to administer and more accessible to the individuals who need them.

#### SUMMARY

##### Section 1. Short Title.

This section gives the bill's title: the "Medicare Beneficiary Assistance Improvement Act."

##### Section 2. Renaming the Program to Eliminate Confusion.

This section provides for one unified name for the federal programs that offer cost sharing and benefit assistance for low-income Medicare beneficiaries. Currently, beneficiaries may be in "dual eligible" programs, "Qualified Medicare Beneficiary" programs (QMB), "Specified Low-income Medicare Beneficiary" programs (SLMB), or "Qualifying Individual-1 (QI-1) programs. This bill provides one common name for all of these programs, the "Medicare Savings Programs."

One of the problems contributing to low enrollment in the assistance programs is lack of understanding of the programs or benefits offered, in part due to confusing nomenclature. The new name has been pilot tested with Medicare beneficiaries groups and found to elicit a positive response and interest from Medicare beneficiaries.

##### Section 3. Expanding Protections by Increasing SLMB Eligibility Income Level to 135 Percent of Poverty.

This section would make permanent the QI-1 category, which provides assistance with the cost of the Medicare Part B premium for beneficiaries with incomes between 120 percent and 135 percent of poverty, by incorporating these individuals into the SLMB category. In addition, the legislation provides enhanced matching payments (at the state's CHIP rate) for the SLMB population (100-135% FPL).

##### Section 4. Eliminating Barriers to Enrollment.

In the states that use 209(b) or SSI criteria for eligibility for the QMB program, Medicare beneficiaries are not automatically made eligible for assistance, even though they qualify. In other states that do not use these criteria, Medicare beneficiaries are automatically eligible if they meet the income thresholds to qualify for SSI payments. Subsection (a) requires that states that use these alternative definitions for eligibility make Medicare beneficiaries automatically eligible for assistance as well.

Subsection (b) allows individuals to certify their income without having to provide additional documentation. Many eligible Medicare beneficiaries decline to participate in assistance programs because they have difficulty producing the necessary documents and generally are reluctant to provide such information.

Subsection (c) provides for continuous eligibility in the assistance programs. Just as Medicare beneficiaries apply once for Medicare, they can apply once for assistance programs as well, without the need for yearly recertification.

Subsection (d) requires states to allow applications for assistance programs on a simplified application form by telephone or mail without the need for a face-to-face interview. Many eligible individuals choose not to apply for government programs because of the stigma associated with a Social Services office. Research shows that individuals are more likely to apply for a benefit when they are not required to have an in-person interview at one of these offices.

Subsection (e) expands the role of Social Security in the Medicare Savings Program application process by requiring local Social Security offices to provide oral and written information about Medicare Savings Program benefits and offer Medicare beneficiaries the ability to apply for assistance at these offices, as is the application protocol for the drug benefit's low-income subsidy program.

Subsection (f) allows states to outstation eligibility workers at local Social Security field offices.

##### Section 5. Elimination of Asset Test.

This section eliminates the strict limit on assets that disqualifies millions of Medicare Beneficiaries with very low incomes from qualifying for assistance. States with high or no asset tests have maximized their QI-1 funding allotments, while states with standard assets tests have seen extremely low QI-1 enrollment.

##### Section 6. Improving Assistance With Out-of-Pocket Costs.

Subsection (a) prohibits estate recovery against QMBs for the cost-sharing or benefits provided through this program. Many individuals do not apply for assistance because they fear a surviving spouse will lose what little income they have by having to repay the state for benefits received upon death.

Subsection (b) gives QMBs three months of retroactive eligibility, allowing the state to pay for Medicare cost-sharing and premiums for the previous three months. Other categories of individuals who receive assistance through Medicaid (SLMBs, QI-1s, and dual eligibles) are eligible for assistance beginning three months prior to the date which they are enrolled. Because of the low incomes of these beneficiaries, coupled with the fact that lower-income individuals have higher health care costs, such retroactive assistance is particularly important.

##### Section 7. Improving Program Information and Coordination With State, Local, and Other Partners.

This section authorizes a data match demonstration project between Health and Human Services, the Internal Revenue Service, and SSA to match information to identify individuals who are potentially eligible for assistance programs but not enrolled. This section also authorizes \$100 million in grants to states to use the information identified through the demonstration project to improve enrollment in the Medicare Savings Programs and the low-income subsidy, as well as grants to other entities like the Indian Health Service and Veterans' Affairs to do coordinated outreach with these programs.

##### Section 8. Notices to Certain New Medicare Beneficiaries.

This section requires SSA, upon sending out initial notification of Medicare eligibility, to include information and an application for the Medicare Savings Programs to individuals the Commissioner identifies as likely to be eligible for benefits under those programs. The section also requires the Secretary of Health and Human Services to include in the annual Medicare & You handbook information on the availability of the Medicare Savings Programs and a toll free number for beneficiaries to call to obtain additional information.

S. 1808

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare Beneficiary Assistance Improvement Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Renaming program to eliminate confusion.
- Sec. 3. Expanding protections by increasing SLMB eligibility income level to 135 percent of poverty.
- Sec. 4. Eliminating barriers to enrollment.
- Sec. 5. Elimination of asset test.
- Sec. 6. Improving assistance with out-of-pocket costs.
- Sec. 7. Improving program information and coordination with State, local, and other partners.
- Sec. 8. Notices to certain new medicare beneficiaries.

## SEC. 2. RENAMING PROGRAM TO ELIMINATE CONFUSION.

The programs of benefits for lower income medicare beneficiaries provided under section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)) shall be known as the "Medicare Savings Programs".

## SEC. 3. EXPANDING PROTECTIONS BY INCREASING SLMB ELIGIBILITY INCOME LEVEL TO 135 PERCENT OF POVERTY.

(a) IN GENERAL.—Section 1902(a)(10)(E)(iii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iii)) is amended by striking "120 percent in 1995 and years thereafter" and inserting "120 percent in 1995 through 2005 and 135 percent in 2006 and years thereafter".

(b) CONFORMING REMOVAL OF QI-1 PROVISIONS.—

(1) Section 1902(a)(10)(E) of such Act (42 U.S.C. 1396a(a)(10)(E)) is further amended—

(A) by adding "and" at the end of clause (iii);

(B) by striking "and" at the end of clause (iii); and

(C) by striking clause (iv).

(2) Section 1933 of such Act (42 U.S.C. 1396u-3) is repealed.

(3) The amendments made by this subsection shall take effect as of January 1, 2006.

(c) APPLICATION OF CHIP ENHANCED MATCHING RATE FOR SLMB ASSISTANCE.—

(1) IN GENERAL.—Section 1905(b)(4) of such Act (42 U.S.C. 1396d(b)(4)) is amended by inserting "or section 1902(a)(10)(E)(iii)" after "section 1902(a)(10)(A)(ii)(XVIII)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to medical assistance for medicare cost-sharing for months beginning with January 2006.

## SEC. 4. ELIMINATING BARRIERS TO ENROLLMENT.

(a) AUTOMATIC ELIGIBILITY FOR SSI RECIPIENTS IN 209(B) STATES AND SSI CRITERIA STATES.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)) is amended—

(1) by redesignating paragraph (6) as paragraph (11); and

(2) by adding at the end the following new paragraph:

"(6) In the case of a State which has elected treatment under section 1902(f) for aged, blind, and disabled individuals, individuals with respect to whom supplemental security income payments are being paid under title XVI are deemed for purposes of this title to be qualified medicare beneficiaries."

(b) SELF-CERTIFICATION OF INCOME.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)), as amended by subsection (a), is amended by inserting after paragraph (6) the following new paragraph:

"(7) In determining whether an individual is a qualified medicare beneficiary or is eligible for benefits under section 1902(a)(10)(E)(iii), the State shall permit individuals to qualify on the basis of self-certifications of income without the need to provide additional documentation."

(c) AUTOMATIC REENROLLMENT WITHOUT NEED TO REAPPLY.—

(1) IN GENERAL.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)), as amended by subsections (a) and (b), is amended by inserting after paragraph (7) the following new paragraph:

"(8) In the case of an individual who has been determined to be a qualified medicare beneficiary or eligible for benefits under section 1902(a)(10)(E)(iii), the individual shall be deemed to continue to be so qualified or eligible without the need for any annual or periodic application unless and until the individual notifies the State that the individual's eligibility conditions have changed so that the individual is no longer so qualified or eligible."

(2) CONFORMING AMENDMENT.—Section 1902(e)(8) of the Social Security Act (42 U.S.C. 1396a(e)(8)) is amended by striking the second sentence.

(d) USE OF SIMPLIFIED APPLICATION PROCESSES.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)), as amended by subsections (a), (b), and (c), is amended by inserting after paragraph (8) the following new paragraph:

"(9) A State shall permit individuals to apply to qualify as a qualified medicare beneficiary or for eligibility for benefits under section 1902(a)(10)(E)(iii) through the use of the simplified application form developed under section 1905(p)(5)(A) and shall permit such an application to be made over the telephone or by mail, without the need for an interview in person by the applicant or a representative of the applicant."

(e) ROLE OF SOCIAL SECURITY OFFICES.—

(1) ENROLLMENT AND PROVISION OF INFORMATION AT SOCIAL SECURITY OFFICES.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)), as amended by subsections (a), (b), (c), and (d) is amended by inserting after paragraph (9) the following new paragraph:

"(10) The Commissioner of Social Security shall provide, through local offices of the Social Security Administration—

"(A) for the enrollment under State plans under this title for appropriate medicare cost-sharing benefits for an individual who is a qualified medicare beneficiary or is eligible for benefits under section 1902(a)(10)(E)(iii) through utilization of the process established under section 1860D-14; and

"(B) for providing oral and written notice of the availability of such benefits."

(2) CLARIFYING AMENDMENT.—Section 1902(a)(5) of such Act (42 U.S.C. 1396a(a)(5)) is amended by inserting "as provided in section 1905(p)(10)," after "except".

(f) OUTSTATIONING OF STATE ELIGIBILITY WORKERS AT SSA FIELD OFFICES.—Section 1902(a)(55) of such Act (42 U.S.C. 1396a(a)(55)) is amended—

(1) in the matter preceding subparagraph (A), by striking "subsection (a)(10)(A)(i)(IV), (a)(10)(A)(i)(VI), (a)(10)(A)(i)(VII), or (a)(10)(A)(ii)(IX)" and inserting "paragraph (10)(A)(i)(IV), (10)(A)(i)(VI), (10)(A)(i)(VII), (10)(A)(ii)(IX), or (10)(E)"; and

(2) in subparagraph (A), by striking "1905(1)(2)(B)" and inserting "1905(1)(2)(B), and in the case of applications of individuals for medical assistance under paragraph (10)(E), at locations that include field offices of the Social Security Administration".

## SEC. 5. ELIMINATION OF ASSET TEST.

(a) IN GENERAL.—Section 1905(p)(1) of the Social Security Act (42 U.S.C. 1396d(p)(1)) is amended—

(1) by adding "and" at the end of subparagraph (A);

(2) by striking "and" at the end of subparagraph (B) and inserting a period; and

(3) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to eligi-

bility determinations for medicare cost-sharing furnished for periods beginning on or after January 1, 2006.

## SEC. 6. IMPROVING ASSISTANCE WITH OUT-OF-POCKET COSTS.

(a) ELIMINATING APPLICATION OF ESTATE RECOVERY PROVISIONS.—Section 1917(b)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(B)(ii)) is amended by inserting "(but not including medical assistance for medicare cost-sharing or for benefits described in section 1902(a)(10)(E))" before the period at the end.

(b) PROVIDING FOR 3-MONTHS RETROACTIVE ELIGIBILITY.—

(1) IN GENERAL.—Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter preceding paragraph (1), by striking "described in subsection (p)(1), if provided after the month" and inserting "described in subsection (p)(1), if provided in or after the third month before the month".

(2) CONFORMING AMENDMENTS.—(A) The first sentence of section 1902(e)(8) of such Act (42 U.S.C. 1396a(e)(8)), as amended by section 4(c)(2), is amended by striking "(8)" and the first sentence.

(B) Section 1848(g)(3) of such Act (42 U.S.C. 1395w-4(g)(3)) is amended by adding at the end the following new subparagraph:

"(C) TREATMENT OF RETROACTIVE ELIGIBILITY.—In the case of an individual who is determined to be eligible for medical assistance described in subparagraph (A) retroactively, the Secretary shall provide a process whereby claims submitted for services furnished during the period of retroactive eligibility which were not submitted in accordance with such subparagraph are resubmitted and re-processed in accordance with such subparagraph."

## SEC. 7. IMPROVING PROGRAM INFORMATION AND COORDINATION WITH STATE, LOCAL, AND OTHER PARTNERS.

(a) DATA MATCH DEMONSTRATION PROJECT.—

(1) IN GENERAL.—The Secretary of Health and Human Services (acting through the Administrator of the Centers for Medicare & Medicaid Services), the Secretary of the Treasury, and the Commissioner of Social Security shall enter into an arrangement under which a demonstration is conducted, consistent with this subsection, for the exchange between the Centers for Medicare & Medicaid Services, the Internal Revenue Service, and the Social Security Administration of information in order to identify individuals who are medicare beneficiaries and who, based on data from the Internal Revenue Service (such as their not filing tax returns or other appropriate filters) are likely to be—

(A) a qualified medicare beneficiary (as defined in 1905(p)(1) of the Social Security Act (42 U.S.C. 1396d(p)(1)));

(B) otherwise eligible for medical assistance under section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)); or

(C) entitled to a premium or cost-sharing subsidy under section 1860D-14 of such Act (42 U.S.C. 1395w-114).

(2) LIMITATION ON USE OF INFORMATION.—Notwithstanding any other provision of law, specific information on income or related matters exchanged under paragraph (1) may be disclosed only as required to carry out subsection (b) and for related Federal and State outreach efforts.

(3) PERIOD.—The project under this subsection shall be for an initial period of 3 years and may be extended for additional periods (not to exceed 3 years each) after such an extension is recommended in a report under subsection (d).

(b) STATE DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall enter into a demonstration project with States (as defined for



purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) to provide funds to States to use information identified under subsection (a), and other appropriate information, in order to do ex parte determinations or utilize other methods for identifying and enrolling individuals who are potentially—

(A) a qualified medicare beneficiary (as defined in 1905(p)(1) of the Social Security Act (42 U.S.C. 1396d(p)(1)));

(B) otherwise eligible for medical assistance described in section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)); or

(C) entitled to a premium or cost-sharing subsidy under section 1860D-14 of such Act (42 U.S.C. 1395w-114).

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to the Secretary of Health and Human Services for the purpose of making grants under this subsection.

(c) **ADDITIONAL CMS FUNDING FOR OUTREACH AND ENROLLMENT PROJECTS.**—There are hereby appropriated, out of any funds in the treasury not otherwise appropriated, to the Secretary of Health and Human Services through the Administrator of the Centers for Medicare & Medicaid Services, \$100,000,000 which shall be used only for the purpose of providing grants to States to fund projects to improve outreach and increase enrollment in Medicare Savings Programs and low-income subsidy programs under section 1860D-14 of such Act (42 U.S.C. 1395w-114). Such projects may include cooperative grants and contracts with community groups and other groups (such as the Department of Veterans' Affairs and the Indian Health Service) to assist in the enrollment of eligible individuals.

(d) **REPORTS.**—The Secretary of Health and Human Services shall submit to Congress periodic reports on the projects conducted under this section. Such reports shall include such recommendations for extension of such projects, and changes in laws based on such projects, as the Secretary deems appropriate.

#### SEC. 8. NOTICES TO CERTAIN NEW MEDICARE BENEFICIARIES.

(a) **SSA NOTICE.**—

(1) **IN GENERAL.**—At the time that the Commissioner of Social Security sends a notice to individuals that they have been determined to be eligible for benefits under part A or B of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq., 1395j et seq.), the Commissioner shall send a notice and application for benefits under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) to those individuals the Commissioner identifies as being likely to be—

(A) a qualified medicare beneficiary (as defined in 1905(p)(1) of the Social Security Act (42 U.S.C. 1396d(p)(1)));

(B) eligible for benefits under clause (i), (ii), or (iii) of section 1902(a)(10)(E) of such Act (42 U.S.C. 1396a(a)(10)(E)); or

(C) entitled to a premium or cost-sharing subsidy under section 1860D-14 of such Act (42 U.S.C. 1395w-114).

(2) **ADDITIONAL INFORMATION REQUIRED.**—Such notice and application shall be accompanied by information on how to submit such an application and where to obtain more information (including answers to questions) on the application process.

(b) **INCLUDING INFORMATION IN MEDICARE & YOU HANDBOOK.**—The Secretary of Health and Human Services shall include in the annual handbook distributed under section 1804(a) of the Social Security Act (42 U.S.C. 1395b-2(a)) information on the availability of Medicare Savings Programs and a toll-free telephone number that medicare beneficiaries may use to obtain additional information about the program.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 262—CONDEMNING THE STATEMENTS OF FORMER EDUCATION SECRETARY WILLIAM J. BENNETT

Mr. LAUTENBERG (for himself, Mr. REID, Mr. CORZINE, Ms. MIKULSKI, Ms. LANDRIEU, and Mr. SCHUMER,) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 262

Whereas William J. Bennett served as chairman of the National Endowment for the Humanities from 1981 to 1985.

Whereas William J. Bennett served as Secretary of Education from 1985 to 1988.

Whereas William J. Bennett served as Director of the Office of National Drug Control Policy from 1989 to 1990.

Whereas on September 28, 2005 William J. Bennett stated the following on Salem Radio Network's Bill Bennett's Morning in America: "[I] do know that it's true that if you wanted to reduce crime, you could—if that were your sole purpose, you could abort every black baby in this country, and your crime rate would go down. That would be an impossible, ridiculous, and morally reprehensible thing to do, but your crime rate would go down."

Now, therefore, be it  
*Resolved,*

SEC. 1. That the Senate strongly condemns William J. Bennett's reprehensible statements of September 28, 2005.

SEC. 2. That the Senate believes that such statements are unbecoming of a former Cabinet Secretary.

#### SENATE CONCURRENT RESOLUTION 56—EXPRESSING APPRECIATION FOR THE CONTRIBUTION OF CHINESE ART AND CULTURE AND RECOGNIZING THE FESTIVAL OF CHINA AT THE KENNEDY CENTER

Mrs. FEINSTEIN (for herself, Mr. STEVENS, and Ms. MURKOWSKI) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 56

Whereas mutual cultural understanding and appreciation helps to advance the overall bilateral relationship between the United States and China;

Whereas Chinese cultural achievements have enriched the world for over 5,000 years;

Whereas Chinese artists both in China and in the United States have excelled in music, dance, fashion, theater, film, and the visual arts;

Whereas the John F. Kennedy Center for the Performing Arts is hosting a month-long celebration of Chinese cultural contributions at the Festival of China in October 2005;

Whereas the event, with more than 50 performances and exhibitions and over 800 artists, will be the largest festival in the history of the Kennedy Center;

Whereas the Kennedy Center characterizes the Festival of China as the "the largest celebration of Chinese performing arts in American history";

Whereas events like the Festival of China, along with efforts to promote educational and scientific cooperation between the United States and China, further mutual understanding between our two societies;

Whereas publicly- and privately-funded exchange programs and other forms of Sino-American contacts foster positive relations; and

Whereas cultural events like the Festival of China help strengthen diplomatic, commercial, and political cooperation between the United States and China: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of Congress that—

(1) the diverse array of cultural contributions made by Chinese artists based in China, the United States, and around the world benefit the entire international community;

(2) the Kennedy Center, along with the Chinese Ministry of Culture, should be commended for promoting Chinese achievement in the arts at the Festival of China;

(3) the significant undertaking and efforts necessary to organize the Festival of China provides a unique opportunity for bilateral cooperation;

(4) building upon the Festival of China, additional efforts that promote cultural understanding between the United States and China should be encouraged;

(5) the United States and China should work to promote cultural, as well as scientific and educational, cooperation between the two countries;

(6) the United States and China should continue to promote exchange programs, such as the Festival of China, as a vital tool for advancing mutual understanding and cooperation between the people of the United States and the people of China; and

(7) the hundreds of performers and individuals who have contributed their time and effort to make this landmark celebration of Chinese culture and the arts a success are to be congratulated.

Mrs. FEINSTEIN. Mr. President, I am pleased to have the opportunity to introduce a resolution to honor the contributions of Chinese art and culture and recognize the landmark Festival of China taking place this October at the John F. Kennedy Center for Performing Arts in Washington, DC.

I commend the joint efforts of the Kennedy Center and the Chinese Ministry of Culture in organizing this celebration and congratulate the hundreds of individuals who have contributed to its success.

With over 800 artists and 50 scheduled events, the Festival of China will truly be one of the largest celebrations of Chinese performance arts in American history.

Starting with Beijing Cultural Week, the Festival will feature Chinese dance, theater, and opera, and musical performances, along with film and art exhibitions.

I am also privileged to be joined today in offering this resolution by two of my colleagues, Senators STEVENS and MURKOWSKI, both of whom play significant roles in fostering our relationship with China.

Senator STEVENS, as the Senate Pro Tempore, chairs the U.S.-China Interparliamentary Group, which facilitates annual exchanges between Members of the Senate and their counterparts in the Chinese National People's Congress.

A hero in both the United States and China, his long history with the Chinese people and their culture goes back