

afford good health insurance, that the costs don't go through the roof. We have to end the abuses of health insurance companies that turn down people when they need them the most, finding deep in some application form the failure of a person to disclose they suffered from acne as a teenager, so they are going to disqualify them from health insurance coverage later in life—and I am not making this up. We know what happens when they put caps and limits on the amount they will spend in a lifetime, and then people find themselves with a catastrophic health situation, not covered by their health insurance policy. We know more than twice as many people are filing bankruptcy in America today because of medical bills, and over three-fourths of them have health insurance that isn't any good. That is the reality of staying with the current system. The Senator from Kentucky may want to defend that. I think it is indefensible. If he wants to hear it firsthand from a real person, I suggest he go to the county market and look for the food sample lady. She will tell him what is really going on in America today as we face health care reform.

Mr. President, I yield the floor.

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

Mr. ISAKSON. Mr. President, are we in morning business?

The ACTING PRESIDENT pro tempore. We are.

Mr. ISAKSON. I ask unanimous consent to speak for up to 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### FIRST-TIME HOME BUYER TAX CREDIT

Mr. ISAKSON. Mr. President, I come to the floor to discuss our economy and the pending termination or sunset of the first-time home buyer tax credit and the potential implications and effects it certainly is going to have on what is at best a very fragile economy today.

First, I wish to reference this morning's USA TODAY business section where it was reported that existing home sales trailed down in the month of August off of the month of July. They did note they were better than August of a year ago but still deplorably low. Of all of the sales that were made in the month of August, 30 percent were attributable to the first-time home buyer tax credit. Unfortunately, substantially all the rest were attributable to short sales or foreclosures.

I was home Friday. In my State of Georgia, we have a law that says that if you foreclose on a deed to secure debt or a mortgage, you must advertise for four successive Fridays preceding the first Tuesday in the following month in order to foreclose. So every Friday in the legal organ of every county in Georgia, there is a section

for foreclosure advertisements. I hold before the Senate today all 74 pages of the Marietta Journal legal notices announcing the foreclosure on 1,157 homes in a county of 700,000 people.

Houses continue to decline in their value because the market demand is down. The foreclosures we see today are not subprime loans; they were the loans that were foreclosed on a year or a year and a half ago. When we read the addresses of these 1,157, which I won't do, they are the addresses of mainstream America and the mortgages that are being foreclosed on are what are called conventional loans that were made to people who had jobs, had income sufficient to make the payments, and had downpayments of 5, 10, or 20 percent. These are the good loans a year ago that today are the loans being foreclosed on. In my State, 1 out of every 13 houses shows mortgage holders right now behind in their payments. Foreclosures are at record rates.

The first-time home buyer tax credit is about to expire. What does that have to do with this foreclosure problem we have and the problem of declining values of houses and shrinking equities for the American people? It has everything to do with it. We have a great demonstration project in the first-time home buyer tax credit that shows this Congress the way to continue and get a recovery in our housing market. In the time the first-time home buyer tax credit has been in effect, it is estimated that 350,000 home sales were made. That is 357,000 sales that would not have taken place.

What we need to do is look at the value of the home buyer tax credit and see whether an extension makes sense and, if it does make sense, how it should be structured. First of all, I say it makes sense because we had modest success the first time. But I think the limitation of a first-time home buyer at a maximum of \$150,000 in income actually restricts us from helping the part of the market that is represented in these foreclosure pages because these are houses of people with more than \$150,000 in income who would need to qualify. These are what are known as the move-up homes, the homes the executives and transferees from around the country sell when they leave their home county and are transferred to a job in another city or another State. We need to energize that market because the move-up market is where the problem exists.

So I would submit that when we look at the sunset date of November 30 on the first-time home buyer tax credit, we should extend it—not forever but through midyear next year, to the end of June 2010. There is a reason for that recommendation. The worst 3 months of the year in any housing market anywhere in the United States are December, January, and February because it is winter and because it is the holidays. So there is not much of a market to begin with in those 3 months. If this

tax credit dies in November and then it dies the day before the declining market takes place, by the time the spring market comes back in March and April, it is too late and we will have a protracted period of even poorer sales than we have had recently. But if we pass and extend the credit through June 30 of next year, we continue to buoy the housing market around the country. If we take away the first-time home buyer limit and raise it to any home buyer who buys a home for their principal residence and resides in it for 3 years and we raise the income limitation from \$150,000 for a family to \$300,000, we stimulate the entire marketplace. That has a cost to it, a score of \$16 billion. That is a lot of money, but it is less than 3 percent of the amount of the stimulus, and we know from what has happened in the last 9 months that it works.

It is very important that we stimulate and continue the existing stimulation of the housing market. The recession that began in December of 2007 began with a collapse of housing, first because of the subprime mortgage failures, but it continues to today, a continuing collapse, and the failures aren't subprime, high-risk credits, they are mainstream America. There is a point in time when we owe it to our country, we owe it to our economy, we owe it to mainstream America, where we know we have a proven program that works, to extend it and buoy the marketplace.

I wish to deal with some of the negatives some people have expressed about extending the tax credit.

The first negative I have heard in a lot of interviews is: Well, isn't all you are really doing is moving forward some sales that are going to take place anyway? Well, of course. That is the object. The problem is, we don't want them to take place in 2011 and 2012; we would like to move them forward to take place now. We want people back in the business of making the decision that it is a good time to buy.

Secondly, people will say: Well, it costs too much. Let's look at what we have done in 2½ or 1½ years in terms of cost to try to save an ailing economy. We have put \$85 billion in 1 night in AIG. That is a lot more money than \$16 billion. The Federal Reserve has at one place or another invested over \$5 trillion. That is a lot more than \$16 billion. The stimulus, which is a 2-year stimulus, which is just in its infancy of trying to make some difference, was \$787 billion. The Troubled Asset Relief Program, or TARP, which was passed in October of last year, was \$700 billion. Yet we have a proposal that has generated 350,000 sales, costs \$16 billion, that is about to die, where all of those other programs and trillions of dollars have only saved a collapse but not regenerated an economy.

So I come to the floor today to ask everybody in the Senate to think about what is happening. Six weeks from now, the tax credit sunsets. When it fails, the market again will have downward depression on values, on sales,

and most importantly on consumer confidence. Let's try to slow down the rate of foreclosure. Let's help Middle America, which right now faces difficult times. Let's take them out of the newspaper and let's take them back into a buoyant economy that has jobs, has growth, and has promise for the future.

I submit that an extension of the first-time home buyer credit by removing the means test, raising the income limitation, and extending it to midyear is good for America, makes good sense for this Senate, and I hope we will find the time before the current bill sunsets to pass it and do it for America.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### HEALTH CARE REFORM

Ms. MURKOWSKI. Mr. President, I rise to talk about the hidden taxes that American families could be forced to pay under the Baucus proposal if Congress doesn't cut half a trillion dollars in Medicare services. Despite the score we saw last week by the CBO that there would be an estimated \$81 billion in savings to the Federal Government, the fine print of that CBO letter paints a different picture and raises some real concerns about whether Congress has the stomach to cut \$500 billion in services to the elderly and the disabled on Medicare.

This point was raised over the weekend. There were several editorials that ran in the Washington Post, Reuters, the Salt Lake Tribune, and the Colorado Springs Gazette, and they criticized the Baucus bill for unrealistically relying on \$500 billion in savings in Medicare. These articles conclude that Congress is unlikely to enact Medicare cuts based on their annual action—our annual action—since 2003 that has stopped cuts to the doctors' reimbursement rates under the sustainable growth rates formula. This is what we call the SGR.

In 1997, Congress enacted the SGR formula, which automatically cuts Medicare reimbursement rates when annual spending for doctors' visits exceeds the SGR target. Every year since 2003, Congress has stepped in to prevent these cuts from going into effect. The question should be asked whether it is wrong for Congress to prevent these cuts. I suggest no, absolutely not. In fact, there is virtually unanimous agreement among Republicans, Democrats, and the President that the fixes must happen because the SGR is a flawed formula that doesn't accurately account for Medicare practice costs.

The SGR, however, is just one example of how Congress has been unwilling to not only prevent cuts to the Medicare Program but also unwilling to fix the flawed SGR formula. Except for 1 year, in 2002, when Congress allowed the 5.4-percent cut to go into effect, every year since then Congress has "fixed" the Medicare cut by affixing a Band-Aid, which has resulted in artificially adjusting the Medicare reimbursement rates and pushing larger "phantom cuts" into future years. Will this year's 21-percent cut to Medicare provider reimbursement rates go into effect? It is highly unlikely. In fact, the Baucus bill contains another Band-Aid measure that pushes this year 21-percent cut into 2010, with the notion that next year doctors will face an even larger, 25 cut under the Finance Committee proposal.

While the past is not always indicative of the future, I believe it is highly unlikely that we in Congress will witness any willingness to make a game-changing "audible" that forces half a trillion dollars in cuts to services for our seniors and for the disabled. The CBO has acknowledged this in a letter to Senator BAUCUS when they discussed the budgetary impact of the health care bill. CBO said:

The mechanism governing Medicare's payments to physicians has frequently been modified (either through legislation or administrative action) to avoid reductions in those payments. . . . The long-term budgetary impact [of the Finance Committee proposal] could be quite different if those provisions were ultimately changed or not fully implemented.

If, since 2003, Congress had stepped in to prevent Medicare cuts from going into effect, why should we expect Congress to now take the unprecedented step of cutting nearly half a trillion dollars from the Medicare Program? In fact, there was an editorial in the Washington Post last month talking about CBO's assumption of Medicare savings. They said:

Many Medicare "savings" are probably phony. Congress is likely to reverse them, as in the past. Put in that category about \$200 billion in "savings" over 10 years from lower reimbursement rates for doctors, which Congress has repeatedly prevented from occurring. A separate \$180 billion in "savings" from lower reimbursement for hospitals and other providers are similarly suspect. Together, these items provide about half the [Baucus plan's] financing. If half a trillion is waiting to be squeezed painlessly out of Medicare, why wait for health care reform? If, as Obama repeatedly insists, Medicare overspending is breaking the budget, why hasn't he gotten started on the painless billions in "waste and fraud" savings?

That was in the Washington Post last month.

Just today, on the front page of the Washington Post, it was reported that the SGR fix included in the House bill, H.R. 3200, was stripped out of the health care reform bill that passed in three House committees of jurisdiction. Leaders in the House are citing the \$240 billion cost of the SGR fix as the main reason for removing this pro-

vision. I believe Congress is being shortsighted in not addressing a major concern in the Medicare Program—a concern that not only would address reimbursement decreases that doctors have faced every year since 2002, but also the concerns about access to doctors that is worrying more and more Medicare patients every day. By stripping this important provision out of the House bill, Medicare patients are left crossing their fingers in the hopes that the SGR fix will ultimately be included in the health reform bill. I believe removal of this essential and important provision, not only because of policy concerns but, rather, because House leaders want to stay below an arbitrary pricetag, simply shows Congress's unwillingness to address significant failures in a government health program that impacts the lives of some 44 million elderly and disabled Americans.

We know the government has been promising to cut from the Medicare Program, particularly in the areas of waste, fraud, and abuse, since the Reagan administration. Yet spending continues to rise. There is no reason to believe this is going to ever change. I will not support cuts in services under the Medicare Program. I will ask my colleagues to give weighted consideration to whether they would be willing to tell their Medicare seniors and disabled constituents that they voted to cut \$500 billion from their Medicare insurance. Inevitably, if the Congress cannot pass a measure to cut from Medicare, then the money will have to be made up either through increased taxes on average American families or in the form of additional deficits that will burden future generations of Americans.

Mr. President, with over \$2 trillion spent on bailouts, stimulus, and cash for clunkers in just the past 22 months, we must be better stewards and more vigilant of the potential for additional costs to working families for expanding government services and creating more mandates for health insurance.

With that, I thank the Chair and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. WEBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. UDALL of Colorado). Without objection, it is so ordered.

Mr. WEBB. Mr. President, I ask unanimous consent to speak in morning business.

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

The Senator from Virginia is recognized.

Mr. WEBB. I thank the Chair. (The remarks of Mr. WEBB pertaining to the introduction of S. 1774 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")