

year. In June, the Judiciary Committee recommended his confirmation by a strong bipartisan vote of 16 to 3.

When we finally get a chance to vote on Judge Davis' confirmation to the court of appeals for the circuit court, I am confident it is going to be a lopsided vote among the Members of the Senate. Yet we have been denied the opportunity to confirm his appointment because some Senators put on a hold. Every time we tried to get a time agreement, which everybody says is reasonable, there was an objection. I do not believe it is aimed at Judge Davis; I believe it is a strategy by my Republican colleagues to slow down the confirmation process of judges. I don't know why. I really do not understand. When we have a judge who is qualified, who is not controversial, why would we deny the judicial branch of government the judge it needs in order to carry out its responsibility? Why would we put people through this process of waiting for the Senate to confirm when it is clear the overwhelming majority is in support of the confirmation? I think Judge Davis presents an example. Let me try to put a face on it. You hear the numbers, you hear the statistics, but each one of those holds represents another person being denied the opportunity to serve as a judge.

Judge Davis has an extremely long and distinguished career in the Maryland legal community. He graduated from the University of Pennsylvania cum laude and with a JD degree from the University of Maryland School of Law, where he still teaches classes as a faculty member. He has been a judge on the District Court of Maryland since 1995 when he was confirmed by the Senate. He has had a long career—22 years—as a district court judge. He has presided over literally thousands of cases. Many of these have gone to verdict and judgment. His record is one which lawyers and his colleagues on the bench praise as being well balanced, as that of a judge who understands the responsibilities of the judicial branch of government. He tries to call the cases as the law dictates, and there is absolutely no blemish on his record as a trial court judge. He has been praised by lawyers in Maryland as smart, evenhanded, fair, and open-minded. He has received a "well qualified" rating from the American Bar Association Standing Committee on the Federal Judiciary. He will add diversity to the Fourth Circuit. When confirmed, he will be the third African-American judge to serve in the Fourth Circuit.

I bring to your attention and to the attention of my colleagues Judge Davis because we have to bring an end to these holds where a judge is being held not because he is controversial, not because there is a problem, not because you want additional information, but just to slow down the process. That is wrong. That is an abuse of the responsibilities of each one of us, of the power each Senator has. I think it is impor-

tant that we all speak out, whether Democrats or Republicans. It is just wrong. It is time to move these nominations to the floor of the Senate and to have votes up or down on these nominees.

I urge my colleagues to let us get on with the business we were elected to do, to advise and consent to the President's appointments. If we have a problem with an appointment, let's speak out against it and let's have that type of debate. But delay for delay's sake is not befitting the Senate. I urge my colleagues to allow these appointments to go forward with up-or-down votes on the floor of the Senate.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. CARDIN. Mr. President, I ask unanimous consent that the final 30 minutes prior to the 2 p.m. vote be reserved for the chair and ranking member of the Judiciary Committee or their designees, with Senator LEAHY controlling the final 15 minutes.

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

Mr. CARDIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Ms. STABENOW. Mr. President, I ask consent to speak as in morning business.

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

MEDICARE PHYSICIAN FAIRNESS ACT

Ms. STABENOW. Mr. President, I rise today to speak about a motion we will be voting on after the nomination that is currently before the Senate, and that is the motion to proceed to a very important bill for seniors on Medicare coverage, for the disabled, for those who are in our military and their families. It relates to the way we reimburse physicians under Medicare and under TRICARE. It is called the Medicare Physician Fairness Act.

This is an effort to eliminate what has become a very flawed formula for determining the payments for physicians under Medicare.

We, in fact, know it is flawed because in the last 7 years, the last seven times that proposals have come forward from this formula to cut physician pay under Medicare and TRICARE, this Congress has chosen to reject that recommendation, that cut.

We want to make sure seniors can have access to their doctors, that Medi-

care is a quality system that allows the kind of reimbursements so we can continue to have the quality of providers, physicians, and others we have today.

This bill, S. 1776, would allow us to do away with what has become a very flawed process. Every year we postpone the cuts that have been proposed because we know they are flawed. We know this time of year, if we do not take action, there would be a 21-percent cut in Medicare for physicians who serve our seniors and people with disabilities. Because Medicare and TRICARE are tied together, that cut would also affect our military men and women and their families and retirees from the military. So, of course, we do not want that to happen. We are not going to allow that to happen. But rather than every year—every year, every year—deciding at the last minute we are going to stop these devastating cuts, putting physicians in the situation where they are not sure how to plan, worrying our seniors, worrying those in our military and retired military personnel, now is the time to change the formula to stop it.

By doing that, by passing this legislation, we then set the stage for health care reform where, in fact, under health care reform, we have a different set of incentives. We focus on strengthening Medicare in a way that improves quality access for seniors. We focus on incentivizing prevention. We focus on incentivizing primary care doctors with a different system that will provide bonuses and payments for our primary care doctors.

So we have a new system. We have a new vision for strengthening Medicare, strengthening our health care system. But right at the moment, we also have this failed system in place that we are kind of stuck with unless we can say: We are done. We are going to start again. We are going to start from a different budget baseline, and then move forward on health care reform.

That is exactly what I have been wanting to do with this legislation. That is why I am so appreciative of the fact that our majority leader, Senator REID, understands and is committed to making this change. His commitment to Medicare, his commitment to our seniors, our military personnel, and to our physicians is the reason we are here today. So I am so grateful to him for all of his commitment and all of his work. But this needs to be changed right now.

As I indicated, we have a system that supports our Medicare system, covers seniors, the disabled. We also tie it to our military health care system, members of the U.S. military, surviving spouses, families, military retirees, and their families. All of them are extremely supportive. In fact, it is not an exaggeration to say this is a top priority, if not the top priority, of the AARP and those who advocate for seniors right now to give seniors the peace of mind to know they are going to be

able to have access to their doctors and that their doctors are going to have the resources they need to be able to treat them.

This bill would make sure that happened by rejecting what has been a failed system. We can go right on down the list. We not only have strong support from the American Medical Association and other physician groups but those who represent our military. Military officers and their families and retirees are extremely supportive.

I am very proud of the work that over 20,000 physicians in Michigan do every day providing to more than 1.4 million seniors and people with disabilities in Michigan the quality care they need and deserve.

We have over 90,000 TRICARE beneficiaries, men and women in our military, retirees who are receiving high-quality medical services in conjunction with the Medicare system. We are very proud of that, and we want to make sure we are maintaining that as well.

Let me go through again what we are trying to make sure we can fix. One, this legislation would repeal the current broken system. It would stop a 21-percent cut to our physicians under Medicare and TRICARE, which would be devastating. It would stop what is a Band-aid approach every year. We know we are going to fix it. We fix it every year individually for that year, always at the last minute.

It is time to change that process. I believe this is honest budgeting because we know we are not going to allow these cuts to take place. So we should do away with this process that even proposes these cuts every year and lay the foundation for real physician payment reform, which is in the legislation.

Let me share with you a letter from a medical clinic in southwest Michigan where physicians wrote to me.

Every year we have to wait to the last minute to see if the rates will get cut or fixed. This makes it impossible to budget and project for the next year. Especially for practices like ours, with nearly 50 percent of our patients are Medicare patients. With the uncertainty and the increases that we do get not keeping up with the cost of living, we have to err on the side of caution, which leads us to job cuts. Though we need the staff to provide the best patient care between Medicare and Medicaid we can't afford to keep them and stay in business. If the uncertainty continues we will be forced to re-evaluate our patient population as well, leaving the Medicare patients with no choices for the care that they need.

This is really the bottom line. We want to make sure physicians are fully participating in caring for our senior citizens, for people with disabilities in this country. We want to make sure Medicare is strong. We want to make sure we are protecting it going forward. In order to do that, we have to start from the premise that we will not be allowing these cuts or the possibility of these cuts to go forward year after year after year.

The vote we are going to have in front of us is a vote to proceed to the

bill. I know there are those with amendments they would like to offer. I would hope that we would see a strong bipartisan vote to simply go to this bill. I think the seniors of this country deserve that.

I think all of those who care about health care for our senior citizens and the disabled, our families, our military personnel deserve that; to have the opportunity to go to this bill, to be able to work on it together, and to be able to pass this bill and permanently solve this problem.

I am very grateful for the fact that the President of the United States not only supports this effort, his administration's budget, the budget he gave us at the beginning of this year, his very first budget, he put forward a budget that did not include going forward with the cuts in this flawed formula.

His budget baseline started from a premise that we would not be making these cuts going forward. I believe that is where we should be. We should be making sure we stop the Band-aid approach. Stop this effort that has gone on year after year and create an honest budgeting process so that we can make sure our seniors have confidence in the future; that they are going to be able to see their doctor under Medicare, and that physicians have the confidence of knowing they are supported by a strengthened Medicare system.

So I am very hopeful we will see a strong bipartisan vote to allow us to move to this very important measure to strengthen and protect Medicare of the future.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I rise to declare to my colleagues that I intend to vote against cloture to proceed on the motion to proceed to this measure regarding the sustainable growth rate.

I want to explain why. I thank Senator STABENOW for her leadership, and to say this is one of those moments where substantially I agree with just about everything she had to say about the inadequacies of the sustainable growth rate formula which was put in in the late 1970s as part of what turned out to be a very effective attempt to bring fiscal responsibility, budget balancing, even a surplus.

Believe it or not, at the end of the Clinton administration, historians may note, perhaps people will forget, we actually had a Federal Government surplus. But it turned out that this sustainable growth rate formula for the reimbursement of doctors was not workable and unfair and has resulted in the refusal of a lot of doctors to treat patients under Medicare.

So why would I not vote for cloture to proceed to take up this matter, and then vote for it? It is because there are larger questions involved. In some sense, I think this is a precautionary tale, the vote on this matter. It is a precautionary tale of what we will face

in succeeding votes in the Senate and most immediately in the health care reform debate we will soon take up on the Senate floor.

We did not get into this terrible situation with our Federal deficit and debt because there were people in the House or in the White House over the last several years who had bad motives or bad values. In fact, in most of the cases, such as this, when money has been allocated, appropriated for programs, it has been done with the best of intentions. But the ultimate effect has been bad for our country and our future because it has put us into a position of national debt that is unsustainable, that threatens to cripple our economic recovery and burden our children and grandchildren and beyond so that they do not live in a country with the kind of economic dynamism and opportunity in which we were blessed to be raised.

In some sense, if I would be allowed to paraphrase, I would say the road to an unsustainable, damaging, American national debt is paved with good intentions, with votes for good programs. It just is time for us together, across party lines, to sound the alarm, blow the whistle, and make choices regarding priorities.

We cannot have, no matter how good or worthwhile, programs for which we are not prepared to pay. The numbers are stunning. I am privileged to be serving my 21st year in the Senate. The numbers of our Federal indebtedness today are so shockingly high that if you told me that 21 years ago or 10 years ago or even 5 years ago, I simply would not have believed it.

The fiscal year that ended on September 30, fiscal year 2009, we now know, learned about a week ago, America ran a deficit of \$1.4-plus trillion. We know America now has an accumulated long-term debt of \$12 trillion.

We know the Congressional Budget Office has projected that over the next 10 years, we will run deficits that will add \$9 trillion to the long-term debt. So \$12 trillion now, add \$9 trillion, and that is \$21 trillion of debt. It is unbelievable. We say it is unsustainable. That is a big word. What does "unsustainable" mean? It means that at some point this size debt is going to cripple the economic recovery that is just beginning. It is going to create hyperinflation because at some point people are going to stop buying our debt and we will have to raise interest to get more people to do so. At some point, if we don't fix this, the government is going to be left with no alternative but to print more money. That is the road to inflation, to lost jobs, and to a lower quality of life.

All these things we have done, which seemed necessary at the time, which are good, we have to pay for them or else this will not be the country we want it to be for succeeding generations. We are going to reach a point where we will not have the money to

do the first thing the Federal Government is supposed to do, which is to defend the security of the country, to provide for the common defense in what is, obviously, a dangerous world.

This is a precautionary tale, a precautionary vote. We are coming to a big debate on health care reform. I am for health care reform, but it is not the only thing I am for. In fact, at this moment in our history, it seems there are two things that matter more to our country than health care reform, although I wish we could do them all. One is to sustain the recovery from the deepest recession this country has had since the Great Depression of the 1930s. We are just beginning to crawl our way out of it. Gains in gross domestic product look as though they are coming, but it is fragile. It is not robust. Of course, almost 10 percent of the American people are out of work. In fact, it is higher than 10 percent. To me, the top priority we all should have—and I speak for myself—is to sustain the economic recovery to get people back to work, to keep our economy strong.

The second—and it is related to the first—is to begin to deal with the terrible imbalances in our Federal books that will compromise the economic recovery and cripple our economic future and the opportunity our children and grandchildren will have in the future. It means we have to make choices. In the coming health care debate, we have to make sure, as the President said, that there is not one dime added to the deficit as a result. We have to make sure that what we do within the context of health care reform not only doesn't increase the deficit and the long-term debt but doesn't add cost and increase premiums, for instance, on working people, middle-class families to pay for their health insurance and on businesses for which we need to provide every incentive to add workers, to grow, to sustain the recovery as it exists now.

Those are the standards I will apply to my own action on the health care reform proposal. I want to be for health care reform. I am for health care reform. I know the system needs to be changed. But this is a precautionary vote coming up because while the Medicare Physicians Fairness Act, which would repeal the sustainable growth rate formula, is substantively just, it is not paid for. It adds almost \$250 billion to the debt for the coming years. I don't think we can do that anymore.

I am relieved to know, in terms of the immediate impact of my vote against cloture on this matter, that if cloture is not obtained, the health care reform bill that came out of the Senate Finance Committee does take care of the problem with the sustainable growth rate for another year. That gives everybody—doctors and, most important, Medicare recipients—breathing room. We can't go on spending without paying for what we are spending, no matter how good or right it is,

because there is a greater harm being done to our country.

The speed with which this Medicare Physician Fairness Act has come to the floor and taking it out of health care reform where it certainly belongs is also a precautionary tale.

I have said I am against the public option for health care insurance, essentially a government-owned health insurance plan, one, because we believe in a market economy and a regulatory government. We believe a market economy is the best way to create economic growth and wealth. It serves the American people very well. We also know that a market economy of itself doesn't, as somebody long ago said, have a conscience. So the government sets rules. We have oversight. We have regulatory rules. We have antitrust laws, for instance. That is the way we maintain fairness in the economy, in the marketplace. I don't remember another case where our answer to a concern about fairness in the marketplace—in this case, whether there is real competition in the health insurance business, whether the health insurance companies are being fair in their rates, et cetera, which are all reasonable questions—I don't remember another case where the answer was to create a government-owned corporation to compete with the private sector.

I spent 6 great years serving as attorney general of Connecticut. We sued a lot of businesses for unfair trade practices, for bid rigging, for price fixing. We appeared before regulatory commissions on behalf of the people of the United States, all sorts of businesses. But nobody ever had the idea that instead of us doing that, we should create a government oil company, a government car company, a government company to sell automobiles, a government company to take care of roof contracting. I could go on and on. One of the reasons is, particularly now, I don't have confidence that we can discipline ourselves from making it into another cause of the skyrocketing Federal deficit.

This bill is evidence of that. Here is a good cause, a group we all respect, the doctors, saying: We need this 10-year fix to the problem. And we just did it. This really ought to be done as part of overall Medicare reform. We have to have a commission. We have to have some system to deal with the great threats to our economic future. Medicare is going to run out of money in 2017, 8 years from now. Social Security is already dipping into the trust funds, taking more out than we are getting in. It may change in a year or two, but that is the way it is.

With respect to the sponsors of this proposal, the Medicare Physician Fairness Act, the doctors' associations that I know would like us to vote for it, I think 1 year is enough; 1 year paid for is enough. To do more than that now is wrong and irresponsible, and therefore I will vote against the cloture motion

on the motion to proceed to the Medicare Physician Fairness Act.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

MR. GRAHAM. Mr. President, I will vote against the motion to proceed. Before Senator LIEBERMAN leaves the floor, I want to say again, of all the people I have met in the Senate, he constantly amazes me, because there is no doubt he is doing this because he believes passionately that America is at a crossroads and this is making the problem worse, not better. I am on a bill with him—there are seven Republicans and seven Democrats—that is a comprehensive solution to our health care needs. It is the Wyden-Bennett bill. It mandates coverage, but we do it through the private sector.

I want colleagues to know that Senator LIEBERMAN has been constructive in trying to find a bipartisan compromise that will allow us to deal with health care inflation, which is a problem in the private sector. He practices what he preaches, trying to solve problems. As he explained it, the Senator from Mississippi and I were sitting here talking. There is not much of that around here in politics now, where one would come out and take on an issue that is being pushed by leaders of the Democratic Party. He is an independent Democrat, but he articulated the reason in a way most Americans really appreciate.

Doctors have a problem. In 1997, we tried to balance the budget with President Clinton, the Balanced Budget Act of 1997. When we looked at how we could sustain a balanced budget, we had to go to where the growth was in the budget. The big programs were Medicaid and Medicare, the entitlements. Eventually, those two programs will cost the equivalent of the entire Federal budget today in 20 or 30 years. If we want to balance the budget, we have to slow down entitlement growth.

Medicare is one of those programs that have grown dramatically. When it first came about, it was a \$4 billion safety net. They projected that Medicare would cost \$37 billion in 1990. It was like \$90-something billion. It is \$400 billion today. Those who designed the Medicare Program as a safety net for senior citizens without health care did a good thing, but from then until now, it has become a \$400 billion item that is eating up the entire budget.

In 1997, we recalculated the growth rates to be paid to doctors and hospitals. Since then, doctors and hospitals have been saying that we cut reimbursements to the point that they can't take Medicare and Medicaid patients and it is hurting their ability to stay in business. About 60 percent of their income comes from the Federal Government. I don't doubt that is true. What we did is just nickel and dime doctors and hospitals and never reform Medicare.

So Senator LIEBERMAN is right. To help doctors and hospitals and the

country achieve a balanced budget, we will have to fundamentally reform Medicare, and the doctor fix should be part of that effort.

What we are doing here is making a promise we can't afford to pay. We are going to tell the doctors: Don't worry ever again about Medicare reimbursements being cut because for a 10-year period, we are going to hold you harmless.

That is beyond cynical. We need to look at the doctor fix in terms of comprehensive Medicare reform. It is a \$245 billion item designed to get the medical community to support the leadership version of health care. It is transparent. It is wrong. It is bad politics. It is bad policy. I hope my colleagues will reject it.

The bill coming out of the Finance Committee—and I congratulate Senators who are trying to fix health care because it needs to be fixed—is about an \$800 billion expenditure, a little bit more. It is revenue neutral over a 10-year period because it is going to be paid for. Four hundred billion in Medicare cuts are part of the payoff, the pay-fors.

How do we take \$800 billion of expense and make it revenue neutral? We offset it. One of the offsets is a \$400 billion-plus reduction in Medicare spending over a 10-year window. I argue that not only is that not going to happen because the Congress hasn't reduced Medicare spending anywhere near that, it is just politically not going to happen. Two years ago, we tried to slow down the growth of Medicare to \$33.8 billion over a 4- or 5-year period and got 24 votes. If colleagues think this Congress is going to have the political will and courage to reduce Medicare by \$400 billion over 10 years, show me in the past where we have had any desire to do that.

The doctors fix is the best evidence yet of what will come in the future. We are contemplating doing away with the reduction in physician payments that was part of the balanced budget agreement because our medical community has been hit hard and is complaining. Look at the \$400 billion. Do we think if people are going to be on the receiving end of a \$400 billion cut over a period of time, they are going to accept it happily? Do you think they are not going to complain? What do you think we are going to do when one group of the medical community or the insurance community says, "You are putting me out of business."

These \$400 billion cuts are never going to happen because, you see, with the doctors fix, where every year we relieve the doctors from the imposition of that agreement in 1997—and in many ways we should because the 1997 agreement was not comprehensive—but to those who believe we are going to cut \$400 billion in Medicare, have the courage to tell the doctors we are going to do to them what we said we would do back in 1997. Nobody wants to do that, and I am sympathetic as to why we do

not want to do that because we are asking too much of doctors and hospitals and we did not reform the system as a whole.

Mr. President, \$245 billion added to the debt is no small thing. What I hope will happen is we can find a bipartisan pathway forward on health care reform that deals with inflation, deals with better access to preventive medicine, has some medical liability reform, is truly comprehensive, with give-and-take, and mandates coverage. I am willing to do that as a Republican. But if we go down the road our leadership has set for us here and basically tell the doctors "Don't worry anymore, you are going to be held harmless for the next 10 years," then what group will follow who will want the same deal and to whom will we begin to say no? I do not know. I do not know to whom we will have the ability to say no if we do this. And if you say no to them, what the heck do you tell them—"You are not a doctor, so it does not matter what we do to your business."

If we do this, we have lost the ability, in my view, to provide the necessary solutions to the hard problems facing the country. We will have given in to the most cynical nature of politics. We will have destroyed our ability to engage with the public at large in a credible way to fix hard problems. And when it comes time to ask people to sacrifice, they are going to look at us and say: What do you mean "sacrifice?" Aren't you the people who just basically wiped out what the doctors had to do because you were afraid of them?

I am not afraid of doctors. God bless them. I am glad we have them. What we have done in the name of reform has been unfair because we picked on them and not the system as a whole. So to the doctors out there, LINDSEY GRAHAM gets it, that your reimbursement rates as they exist today under Medicare make it very difficult for you to do business. But I hope you will understand that my obligation is beyond just to the doctors in South Carolina; it is to what Senator LIEBERMAN said: the next generation as well as to the here and now.

Every politician has a problem: How do you affect the here and now, people who can vote for you, and how can you secure the future? Well, you just have to ask the people who are here and now to be willing to make some changes for the benefit of the country long term. I am confident that if we ask and we do it in a smart way, people will join with us. I want to give the doctors better reimbursement rates, and the only way we can achieve that is to reform Medicare from top to bottom and make it more efficient.

One of the things I am willing to do is ask a person like myself to pay more. As a Senator, I make about \$170,000 a year. I am not saying we are worth it, but that is what we pay ourselves. I would like to think we earn our money because it is not an easy

job, but there are a lot of jobs harder than being a Senator, I can assure you. But right now, the system we have to fund Medicare, the trust fund, will run out of money in about 4 years. But basically I am paying the same amount for Part B premiums that cover doctors and hospital payments out of Medicare as my aunt and uncle who worked in the textile mill and made \$25,000 a year. I am willing for people like myself to have to pay more to keep Medicare solvent.

We are making some changes but not nearly enough. Mr. President, \$3 out of \$4 of Medicare spending comes from the General Treasury, the taxpayers. One-fourth of the money to cover Medicare expenses comes from the patient population being served. There are plenty of Americans who are paying about \$100 a month once they get into retirement who can afford to pay \$450 a month for the Medicare services they receive. Nobody is asking them to do it. I am willing to ask, and I am willing to do it myself. It is those types of changes that will lead this country to a brighter future and will correct the imbalance we have.

Finally, Medicare is \$34 trillion underfunded. If you had \$34 trillion sitting in an account today, it would earn interest over 75 years. You would need all the money—the \$34 trillion plus the interest—to make the payments we have promised people in the future.

When I was born in 1955, there were 16 workers for every retiree. Today there are three, and in 20 years there will be two. There will be two workers paying into the Social Security and Medicare trust funds where there used to be 16 when I was born. There are more baby boomers retiring every day than anyone ever anticipated. We are living far beyond 65.

The question for the country is, Will people in my business go to you, the public, and say change is required? We cannot run the system assuming things that do not exist. We have to come to grips with the fact that we have an aging population, we live longer, there are more retirees than ever, and there are fewer workers. Once we come to grips with that dynamic and ask those who can afford to give, to give—hold those harmless who cannot afford to give—America's best days are ahead.

If we do not reform these systems and we continue to do what is being proposed today—try to buy a constituency off: Doctors, we will fix your problem if you will support our bill; the \$254 billion it will cost to get you onboard, do not worry about it.

To the doctors who may be listening, you better worry about it. You need to worry about not only the viability of your medical practice but the ability of your government to make payments it has promised to the next generation, the ability of your government to be able to continue to operate, the ability of our country to pass on to the next generation a sound and secure America.

We are about to borrow ourselves into oblivion. There is a theory out there, long held, that democracies are doomed to fail because democracies over time will lose the ability to say no to themselves; that we in the government will continue to grow the government based on the needs of the next election cycle and make promises that make sense for our political future but really over time are unsustainable. We have reached that point, and we are about to go over the edge.

The only way America can self-correct is to make sure our political leadership is rewarded when we ask for change we can believe in. This is not change we can believe in. This is the old way of doing business. This is buying off a constituency that is important for the here-and-now debate of health care and not giving a damn about the consequences to the country down the road. This is how we got in this mess.

If we pass this bill, not only have we destroyed this new hope from a new President of "change we can believe in," we will have reinforced the worst instincts of politics, sold the country short, and made it impossible to say no to the next group we want to sacrifice who needs to help us solve this problem.

With that, I yield back.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

Mr. GRASSLEY. 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.

MEDICARE PHYSICIAN PAYMENT SYSTEM
REFORM

Mr. GRASSLEY. Mr. President, reforming the Medicare physician payment system is one of the most difficult issues we face in Medicare today. The name of the formula is the sustainable growth rate. Generally around here we refer to that as the SGR. It is the formula for the reimbursement of doctors under Medicare. It was designed in the first instance to control physician spending and to determine annual physician payment updates by means of a targeted growth rate system. The SGR is not the only problem with the Medicare physician payment system. Everyone who knows anything about physician payments and Medicare knows that this SGR formula is not working. It is a fee-for-service system that rewards volume instead of quality or value. This means that Medicare simply pays more and more as more and more procedures and tests and services are provided to patients. Providers who offer higher quality care at a lower cost get paid less. Somehow, it is a backward system, a perverse sys-

tem. It is one of the driving forces behind rising costs and overutilization of health care, particularly in some parts of the United States.

In addition, the sustainable growth rate formula itself is flawed. The SGR is designed to determine annual physician payment updates by comparing actual expenditures to expenditure targets.

The purpose of the SGR was to put a brake on runaway Medicare spending. The SGR was intended to reduce physician payment updates when spending exceeded growth targets. In recent years, Medicare physician spending has exceeded those SGR spending targets. That has resulted, naturally, in physician payments being cut. As the magnitude of these payment cuts has increased over time, Congress has stepped in to avert these scheduled cuts in reimbursement to doctors.

In a roundabout way, the SGR has been serving its purpose. Numerous improvements in Medicare payments in other areas have been implemented over the years to offset or to pay for the various so-called doc fixes we have had to do and generally do them on an annual basis. Presently they are done on an 18-month basis, expiring December 31 this year.

We should, in fact, be reforming physician payments. That is why I supported the SGR amendments offered by my colleague, the Senator from Texas, during the Senate Finance Committee markup that concluded 8 days ago. Those amendments would have provided a fully offset, positive physician update for the next 2 years. And if we erroneously take up a debate on this flawed Stabenow bill, I will have an alternative to offer with my good friend, the chairman of the Senate Budget Committee, Senator CONRAD. A Conrad-Grassley amendment would be a bipartisan approach to this.

Realigning incentives in the Medicare Program and paying for quality rather than quantity of services is, of course, an essential part of physician payment reform. But as fundamentally flawed as the physician payment system is, S. 1776, the bill before us, is just as fundamentally flawed. S. 1776 would add—can my colleagues believe this—a $\frac{1}{4}$ trillion cost to the national debt. A quarter of a trillion, obviously, is \$250 billion. But worse yet, it does not fix the problems we have with the physician payment system. It simply gives a permanent freeze to those payments. The American Association of Neurological Surgeons and the Congress of Neurological Surgeons oppose the Stabenow bill for precisely that reason, and I applaud them for having the courage to say so.

My esteemed colleague, the majority leader, claims this bill has nothing to do with health reform. I think it has everything to do with health reform. He says the \$247 billion cost of this bill is just correcting, in his words, "payment discrepancy;" merely, in his words, "a budgetary problem," a prob-

lem that needs to be fixed. But I don't believe anybody is going to buy that argument, not even the Washington Post. I have here a recent editorial. They said:

\$247 billion . . . is one whopper of a discrepancy.

S. 1776 isn't being offered to fix a budget payment discrepancy, it is being offered as one whopper of a backroom deal to enlist the support of the American Medical Association for a massive health reform bill that is being written behind closed doors.

Nobody is being fooled about what is going on in this body, the most deliberative body in the world, the Senate.

When President Obama spoke to a joint session of Congress last month—the week after we came back from our summer break—he made a commitment to not add one dime to the deficit now or in the future. Those are his words, not mine. But as this Washington Post editorial notes, S. 1776 would add 2.47 trillion dimes to the deficit.

We go to chart 2 now. That would be 2.47 trillion dimes, enough to fill the Capitol Rotunda 23 times.

Now we have chart 3. I wholeheartedly agree with the editorial's conclusion. The Post editorial said:

A president who says that he is serious about dealing with the dire fiscal picture cannot credibly begin by charging this one to the national credit card . . .

This quote is highlighted out of that same editorial.

The Office of Management and Budget and the Treasury Department announced that the fiscal year 2009 deficit hit a record of \$1.4 trillion. According to the Government Accountability Office, public debt is projected by the year 2019 to surpass the record that was set in 1946, 1 year after the end of World War II. That debt was attributable to the war, which was the war to save the world for democracies because of the dictatorial governments of Italy, Germany, and Japan, as we recall from history.

There is no doubt that fixing the flawed physician payment system is something that must be addressed. But the problem—this problem—with the physician payments is one of the biggest problems in health care that needs fixing. But at a time when the budget deficit has reached an alltime high of \$1.4 trillion, this situation demands fiscal discipline.

As the Washington Post has correctly pointed out, S. 1776 is, indeed, a test of the President's pledge to pay for health care reform.

Repealing the SGR without any offsets, as S. 1776 would do, is a flagrant attempt to try and hide the true cost of comprehensive health care reform.

Let me suggest to the American people that bill, comprehensive health care reform—at least the one that came out of the Senate Finance Committee—is thick, at 1,502 pages that we all are committed to reading before it goes to the floor. That bill, of course,