

nearly 70 percent of all home health agencies at risk of having to close their doors.

Home health agencies provide valuable assistance to disabled individuals, allowing them to receive their care in their home. It is a lot cheaper than a nursing home. If these cuts are enacted and these agencies are forced to close, the patients will have to go back into institutional facilities to receive their care. In addition to devastating these small businesses, this proposal would clearly break the President's promise to protect Medicare beneficiaries and not reduce their benefits.

Many doctors, such as my colleague, JOHN BARRASSO, who has been on the Senate floor all day, have also been small business owners. Doctors are currently facing a 21-percent reduction in Medicare payments that is slated to go into effect in January. Despite cutting \$460 billion from the Medicare Program, the Reid bill does nothing to fix the Medicare payment formula for physicians. Since 40 percent of doctors will not take Medicaid patients, that is now moved into Medicare, and I think 20 percent will not take Medicare patients. How would you like asking for an appointment and they say: Are you Medicare? And if you are, we are not taking you.

It can happen. That is not health insurance at all. Also, it is fascinating that Medicare doesn't have catastrophic coverage. We will talk about that. Unlike the Federal Government, small business owners cannot lose money on every Medicare patient and then hope to make it up on volume. A 21-percent payment cut is not sustainable, and it highlights why we need to fix the broken Medicare physician payment formula. Rather than stealing \$460 billion from Medicare to create a new entitlement program for the uninsured, we should use those moneys to strengthen and improve Medicare.

Medicare is going broke. You saw the charts over there earlier. It is going broke. We are going to take \$460 billion from it. Oh, but don't worry. The bill has a little provision in there where we are going to form a commission that, every year, will give us suggestions on how we ought to cut Medicare so that it stays solvent.

I don't know any other way you can put that: Cut Medicare to stay solvent. We had to form a commission to do that after we steal \$460 billion from the program. It cannot afford to have that taken out.

Another interesting thing on that commission is they already made a deal with the hospitals, and they cannot cut them, and the doctors were supposed to have a deal, although I think the deal has been broken because the low payments did not get fixed and the medical malpractice did not get included as they were promised. So I don't know if they are still in there. In exchange, they were supposed to not get any cuts.

The pharmaceutical companies were not supposed to get any cuts. I would

love to have the time to explain the deal they have. Do you know whom that leaves? That leaves the nursing homes, the home health, and the Medicare patients themselves. They are going to pick up those costs that are each year prescribed to us to pass to save Medicare. Medicare money should go to Medicare.

The Reid bill also drives up health care costs for small businesses by its massive expansion of Medicaid. This bill includes the largest expansion of the Medicaid Program since it was created in 1965. In addition to trapping 15 million low-income Americans in the worst health care program in America, this Medicaid expansion will also increase costs for many small businesses.

Medicaid uses government price controls to set private rates far below what private insurers pay, often below the cost of what it costs to provide the care. According to one estimate, Medicaid pays only 60 percent of the rates paid by private insurers. This forces doctors to make up for their losses on Medicaid patients by increasing their costs to other purchasers. According to a recent estimate by the accounting firm Milliman, inadequate Medicaid payment rates resulted in physicians shifting \$23.7 billion in costs onto private sector purchasers.

Enrolling 15 million more Americans into the broken Medicaid Program will only worsen this cost shift. That means if this bill is enacted, small business owners will see their health care costs increase as physicians and hospitals struggle to make up for inadequate payments for many more Medicaid patients.

In addition to doctors and hospitals, States also cannot afford to pay for this expansion of the Medicaid Program. The Reid bill imposes approximately \$25 billion in new unfunded Medicaid costs on State budgets at a time when the States are facing a worse economic crisis in general than perhaps our economic crisis because they cannot just print the money.

When we were working with the Gang of 6, we had a table that showed how the \$25 billion was distributed among the different States. The CBO estimate of the \$25 billion never changed. But every day, we got a new sheet and the different States paid different amounts. Did you know that finally New York and Nevada got theirs down to what they thought was a workable level? I don't know if that is actually the way it will come out if people are just jimmying the numbers.

What this will mean for small businesses will be even higher taxes and fees, as States struggle to close the estimated \$22 billion budget shortfall they will face in fiscal year 2011. According to the National Association of State Budget Officers, States have already enacted \$23.8 billion in new taxes and fees in the current fiscal year. These numbers are only expected to increase as States see no end in sight to their current fiscal crisis.

Increased State and Federal taxes, higher health care costs, and Medicare payment cuts are the results small businesses are most likely to see if the Senate passes the Reid health care reform bill. While these would never be welcome changes, the Senate will be debating these policies at a time when small businesses face their most severe economic challenges since the Great Depression.

As I mentioned, unemployment is already at 10.2 percent. Even that number, which is the worst we have seen in 26 years, may actually understate the severity of the situation. The government estimates that up to 17.5 percent of the population may be entirely without a job or underemployed.

Other economic indicators paint a grim picture for a potentially jobless recovery. In October, new housing starts fell 10.6 percent, which is 30 percent lower than 1 year ago. Federal Reserve Chairman Ben Bernanke recently noted that the ongoing financial crisis has led to the reduction or elimination of bank credit lines for many small businesses. He also noted that the fraction of small businesses reporting difficulty in obtaining credit is near a record high, and these conditions are expected to tighten further.

Small businesses are the engine of economic growth that can lead this Nation out of its current economic crisis. Unfortunately, the Reid bill will have the effect of sand being poured into the gears of that engine.

The recent statement of the National Federation of Retail Businesses does the best job of summarizing the impact of the Reid bill on small businesses. They said:

We oppose the Patient Protection and Affordable Care Act due to the amount of new taxes, the creation of new mandates, and the establishment of new entitlement programs. There is no doubt all these burdens will be paid for on the backs of small business. It's clear to us that at the end of the day, the costs to small business more than outweigh the benefits they may have realized.

I see I have run a few minutes over. I apologize to the Chair.

ADJOURNMENT UNTIL 9:45 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:45 tomorrow morning.

Thereupon, the Senate, at 9:36 p.m., adjourned until Saturday, November 21, 2009, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF DEFENSE

MARY SALLY MATIELLA, OF ARIZONA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE NELSON M. FORD.

PAUL LUIS OOSTBURG SANZ, OF MARYLAND, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE NAVY, VICE FRANK R. JIMENEZ.

SOLOMON B. WATSON IV, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY, VICE BENEDICT S. COHEN, RESIGNED.

DEPARTMENT OF EDUCATION

KATHLEEN S. TIGHE, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF EDUCATION, VICE JOHN PORTMAN HIGGINS, RESIGNED.

SECURITIES INVESTOR PROTECTION CORPORATION

SHARON Y. BOWEN, OF NEW YORK, TO BE A DIRECTOR OF THE SECURITIES INVESTOR PROTECTION CORPORATION FOR A TERM EXPIRING DECEMBER 31, 2012, VICE TODD S. FARHA.

ORLAN JOHNSON, OF MARYLAND, TO BE A DIRECTOR OF THE SECURITIES INVESTOR PROTECTION CORPORATION FOR A TERM EXPIRING DECEMBER 31, 2011, VICE ARMANDO J. BUCALO, JR., TERM EXPIRED.

DEPARTMENT OF STATE

DAVID ADELMAN, OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SINGAPORE.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ELIZABETH L. LITTLEFIELD, OF THE DISTRICT OF COLUMBIA, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION, VICE ROBERT A. MOSBACHER, RESIGNED.

DEPARTMENT OF STATE

HARRY K. THOMAS, JR., OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE PHILIPPINES.

CONFIRMATIONS

Executive nominations confirmed by the Senate, Friday, November 20, 2009:

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

JAMES LAGARDE HUDSON, OF THE DISTRICT OF COLUMBIA, TO BE UNITED STATES DIRECTOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

DEPARTMENT OF STATE

JOSE W. FERNANDEZ, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF STATE (ECONOMIC, ENERGY, AND BUSINESS AFFAIRS).

FREDERICK D. BARTON, OF MAINE, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA ON THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

MILLENNIUM CHALLENGE CORPORATION

DANIEL W. YOHANNES, OF COLORADO, TO BE CHIEF EXECUTIVE OFFICER, MILLENNIUM CHALLENGE CORPORATION.

INTER-AMERICAN DEVELOPMENT BANK

GUSTAVO ARNAVAT, OF NEW YORK, TO BE UNITED STATES EXECUTIVE DIRECTOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF THREE YEARS.

DEPARTMENT OF STATE

FREDERICK D. BARTON, OF MAINE, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS, DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA ON THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS.

ROBERT R. KING, OF VIRGINIA, TO BE SPECIAL ENVOY ON NORTH KOREAN HUMAN RIGHTS ISSUES, WITH THE RANK OF AMBASSADOR.

WILLIAM E. KENNARD, OF THE DISTRICT OF COLUMBIA, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN UNION, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

CARMEN LOMELLIN, OF VIRGINIA, TO BE PERMANENT REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE ORGANIZATION OF AMERICAN STATES, WITH THE RANK OF AMBASSADOR.

CYNTHIA STROUM, OF WASHINGTON, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO LUXEMBOURG.

MICHAEL C. POLT, OF TENNESSEE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ESTONIA.

JOHN F. TEFFT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO UKRAINE.

DAVID HUEBNER, OF CALIFORNIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAMOA.

PETER ALAN PRAHAR, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERATED STATES OF MICRONESIA.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PAMELA S. HYDE, OF NEW MEXICO, TO BE ADMINISTRATOR OF THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

PAUL K. MARTIN, OF MARYLAND, TO BE INSPECTOR GENERAL, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATION OF TERENCE JONES.

FOREIGN SERVICE NOMINATIONS BEGINNING WITH ANDREA M. CAMERON AND ENDING WITH ALEKSANDRA PAULINA ZITTLE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 10, 2009.

FOREIGN SERVICE NOMINATIONS BEGINNING WITH LAURIE M. MAJOR AND ENDING WITH MARIA A. ZUNIGA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 17, 2009.