

principles and those who have defended them against hollow attacks from the other side. One after another, Republicans have come to the floor with disingenuous claims.

For example, they have talked about health care premiums, overlooking the fact that those costs will go down for the vast majority of Americans—in fact, 93 percent. They have talked about the deficit, ignoring the fact that health care reform will do more to lower the deficit than any other measure has in years—remember, over 20 years, almost \$¾ trillion. They have tried to scare seniors, saying you are going to die soon, as an example, closing their eyes to the fact that we strengthen Medicare and cut waste, fraud, and abuse from the program. They have tried to scare women, closing their ears to the fact that we will make it easier than ever for women to get the preventive screenings they need, and that is a gross understatement. They claim to speak for the American people but neglect to mention that, for the last year, a majority of the Americans have consistently said it is more important than ever to nurse our health care system back to health.

What is the most consistent Republican attack on this bill? They carefully count the number of pages in this legislation but completely discount the number of people it helps. Can anyone think of a more superficial way to measure the worth of a bill than how many pages it is printed on? As far as I can tell, the only threat that poses is more paper cuts, perhaps.

Those who want to keep the broken system the way it is throw everything they can at the wall, but nothing has stuck. Incredibly, my distinguished counterpart, the Republican leader, last week, called the health care crisis manufactured, in spite of the fact that 750,000 people filed for bankruptcy last year—70 percent of them because of health care costs. In one sense, my Republican counterpart is right—it was manufactured. This health care crisis has been manufactured by the greedy insurance companies that raise families' rates on a whim and deny health care to the sick.

Remember, the health care industry is exempt from the antitrust laws. They can conspire to fix prices with no civil or criminal penalties. No other business is like that, except baseball. This crisis was manufactured by leaders who enabled them, who empowered them, and who sat idly by while the problem grew worse and worse, until it finally collapsed into a crisis.

My Republican friends have been so busy coming up with distortions that they have forgotten to come up with solutions. They seem more concerned with scaring the American people than helping them. This barrage of baseless accusations underscores how desperate some are to distract the American people from the real debate and from the fact they have no vision for fixing our health care system, which is broken.

Yes, correcting the record has taken a long time. That is OK. We will continue to do so as long as necessary. Democrats are more than willing to defend this good bill. After all, it is not hard to do. As Mark Twain, a great Ne-vadan, said: "If you tell the truth, you don't have to remember anything."

I wish to note that I especially appreciate the assistant leader, my friend of decades, Senator DURBIN, for his brilliant statements on the floor during the last several weeks on this health care issue. I so admire his spunk, his intelligence, and his ability to deliver a message.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

#### SERVICE MEMBERS HOME OWNERSHIP TAX ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 3590, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3590) to amend the Internal Revenue Code of 1986 to modify the first-time home buyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

Pending:

Reid amendment No. 2786, in the nature of a substitute.

Mikulski amendment No. 2791 (to amendment No. 2786), to clarify provisions relating to first-dollar coverage for preventive services for women.

McCain motion to commit the bill to the Committee on Finance, with instructions.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 11:30 will be equally divided with alternating blocks of time, with Republicans controlling the first 30 minutes and the majority controlling the second 30 minutes.

The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, 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.

Mr. KYL. 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.

Mr. KYL. Mr. President, to continue our debate on the McCain amendment to ensure Medicare benefits for our seniors are not cut, as would happen under this legislation, I wanted to talk a little bit about the commitments we have made to our seniors and what exactly would happen under the legislation that is before us.

As we all know, seniors have paid into the Medicare Program, and that is

with the expectation that they will get the benefits that have been promised to them. The question is, Why would we, at this point, reduce the benefits that have been promised to them, especially if the purpose is not to enhance the financial viability of Medicare, which everyone knows is going broke but, rather, to use that money to establish a new entitlement program?

Let me break down the list of cuts seniors would face under this legislation: \$137.5 billion would be cut from hospitals that treat seniors, \$120 billion from the Medicare Advantage plan. By the way, that Medicare Advantage plan serves almost 40 percent of the Arizona seniors on Medicare. It cuts \$14.6 billion from nursing homes, \$42.1 billion from home health care, and \$7.7 billion from hospice care. These are deep cuts, and you cannot avoid jeopardizing the health care seniors now have under Medicare by making these deep cuts. That is why the Chief Actuary at the Centers for Medicare and Medicaid Services—we use the initials CMS—believes these cuts would cause some providers to end their participation in Medicare, which, of course, would further threaten seniors' access to care. There would not be as many providers to whom they could go for their services.

Our friends on the other side of the aisle say part of this is an intention to eliminate waste, fraud, and abuse. Of course, we have known for many years that there is waste, fraud, and abuse in Medicare, but actually doing something about the problem and recognizing it are two different things. If it were easy to wring hundreds of billions of dollars of savings from Medicare by just pointing to waste, fraud, and abuse, we would have done it a long time ago. Certainly the President would, during his first year in office, want to do that, given the fact we are spending a lot of money and he is trying to find sources of revenue for the various spending programs he has proposed. If it were that easy to do, it would have been done before now.

Moreover, Medicare faces a \$38 trillion, 75-year unfunded liability. That is almost incomprehensible. Most of us believe that whatever savings we could achieve in Medicare, to the extent you could eliminate waste, fraud, and abuse, for example, you should do that to help make Medicare solvent.

Next I want to talk about what seniors are telling us. They believe, according to public opinion surveys—and I have talked to enough of them to know this is true—that these Medicare cuts are going to jeopardize their health care. They are troubled in particular by this \$120 billion proposed cut to Medicare Advantage. It has been called the crown jewel of Medicare. It is the private insurance addition to Medicare in which many are able to participate in programs they would never have been able to afford otherwise. It gives them this choice to supplement Medicare to provide all kinds

of benefits such as dental, vision, hearing, physical fitness programs, and other things, as I said, that they could not get otherwise. One in four of the beneficiaries in Arizona, as I said, signs up for this program—more than 329,000 seniors. They like the low deductibles and copayments in Medicare Advantage.

But the Congressional Budget Office has bad news for the seniors who like this program and who like the extra benefits they have under Medicare Advantage because, as the Congressional Budget Office notes, it would cut benefits on average by 64 percent over the next 10 years, from an actuarial value of \$135 to \$49 a month. Think about that. The actuarial value of the benefits the average Medicare Advantage participant has is worth \$135 a month today. It would be cut in this bill to \$49 a month. That is a 64-percent cut, according to the Congressional Budget Office. When we say we are not cutting benefits seniors currently receive, that is not true. This legislation would do that.

I have been sharing letters from constituents who have expressed concerns to me. Let me share three more letters today.

One recently arrived from Joseph and Mary-Lou Dopak of Sun City West, in Arizona, of course. They wrote as follows:

The plan to reduce our coverage and take \$120 billion from Medicare Advantage is a slap in the face to all seniors. The Medicare Advantage plan works because Medicare funds are given to a private insurance company to administer the plan.

We do not want our Medicare Advantage plan robbed to fund a government-operated comprehensive health insurance plan. Commonsense tells us that will not work.

The President should be fixing what ails the current health care system, instead of putting everyone into a government-operated health care plan.

For our President to pick on Medicare Advantage is totally unfair to those of us upon whose shoulders this country has been built.

A constituent from Tucson, AZ, wrote a rather short and direct letter, and so it is easy to quote here.

I am a senior citizen age 83. If I lose my Medicare Advantage coverage, I'll also lose my primary care physician of 18 years because he does not accept Medicare Direct. Senator KYL, do not let them take away my Medicare Advantage.

I get these letters every day. I have not yet had a constituent come up to me and say: Please, would you take away the Medicare Advantage Program, it is not right. Everybody has said, of course: Please preserve this important program.

Finally, a constituent from Phoenix, AZ, who suffers from multiple sclerosis, describes what it means to her.

I am a 57-year-old woman with multiple sclerosis, currently on Social Security Disability. I make under \$14,000 a year and have been on the Secure Horizons Medicare Advantage plan for a long time now. . . .

I realize it is hard for Congress to understand, but we need to keep our Medicare Advantage plans in order to have [quality] health care at a price we can afford.

We need you to help protect Medicare Advantage plans for the seniors in your State. We are the ones you need to fight for and we should not have to choose between going to a doctor and getting our medication and having food on the table and a place to live. Please do your part to protect our Medicare Advantage plans and keep prices within our reach.

As I said, these are the kinds of letters we get all the time. It is hard for these folks to understand, first of all, why, having paid into the plan and having taken advantage of what is a good supplement to the basic Medicare, that would be taken away from them. I think it is even harder for them to fathom that the reason it is being done is to pay for a new program rather than to keep Medicare itself solvent.

I tell folks like this that I will continue to fight for her and I will continue to try to protect this program because we believe it is essential. It is why I support the McCain amendment to commit the bill back to committee. It only has to be there a day. We are not talking about a further delay here. But it addresses both of the key issues of cuts and savings. If the McCain amendment passes, it would send the bill back to the Finance Committee with instructions to remove the Medicare cuts from the bill. That is all it does. But, second, those savings would be applied to Medicare rather than to fund a new government program. Those savings could therefore address the waste, fraud, and abuse problem that has been identified by everyone. It can be used to strengthen the Medicare trust fund rather than to fund a new health care entitlement program.

We believe the first thing we should do to see whether we can actually fix this bill—I have been quoted as saying that I don't think we can fix this bill. By that, I mean, with all due respect to my colleagues on the other side of the aisle, I don't think they want to make the changes I think would be necessary for the American people to begin to support this kind of legislation. Seniors are overwhelmingly opposed to the Medicare cuts. That is a fact. If my colleagues on the other side of the aisle are not willing to support the McCain amendment or something like it, I don't know how we could then say we can fix this bill. So I hope my colleagues will use this process we have to actually make amendments to the bill and not simply have a political discussion.

Republicans have pointed out that there are better ways to reform the health care problems we have today than to do it on the backs of seniors. We put forth a bounty of ideas. Let me just recoup some of them.

We think we could start and we could save a great deal of money by medical malpractice reform. That would bring down costs. We could allow Americans to buy lower cost insurance policies across State lines. That alone would unleash a wave of competition for patients' business. We could allow small businesses to band together to get the

same purchasing power big businesses have. These ideas have essentially been ignored by the majority. Instead, we have this big government takeover of health care at a huge cost and significant reduction in quality and benefits to the American people. We don't think this is the way to go.

Certainly, on behalf of my senior citizen constituents and others who are on Medicare Programs, I am going to continue to fight for them, as my colleague John McCain is, and therefore urge my colleagues to support his amendment to eliminate the Medicare cuts under this bill.

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

Mr. BROWNBACK. Mr. President, I rise to speak in favor of the McCain motion, and I do it from the perspective of a representative of the State of Kansas.

We have a number of senior citizens and hospitals that are Medicare-dependent. We have a number of providers for whom a majority of their practice is Medicare reimbursement. They are scared to death of these cuts, and the cuts are well documented—\$500 billion in Medicare cuts, and for the 43 million senior citizens on a program that is already projected to go insolvent by 2017, specific cuts of \$135 billion from hospitals, \$120 billion from 11 million seniors in Medicare Advantage, nearly \$15 billion from nursing homes, nearly \$40 billion from home health agencies, and then—a cruel gesture, it seems to me—nearly \$8 billion from hospice, where people are getting their final care for cancer and diseases that are killing them—\$8 billion cut from hospice.

What that does in a State such as mine and in many rural hospitals, it cuts the legs out from under them. They are not going to have the money they need to operate. They are going to do everything they can to continue to operate—and they will, probably. What they will try to do is tax their local citizenry, raise property taxes, in all probability, to make up for the Medicare cuts because they are going to have a hospital there and they are going to do everything they can to keep a hospital there.

But what a terrible gesture on our part here, to take money that has been going into Medicare—and people have been paying into Medicare—and then steal it for a new program that is not going to get everybody covered on top of that and from a program that is already set to go insolvent by 2017. It is like writing a big fat check on an overdrawn bank account to start something new, to buy a new motorcycle. That doesn't make sense to people. Then it seems cruel and unusual to the senior citizens that you are taking \$500 billion and really gutting a lot of their care programs on a program that doesn't work.

I met earlier, within the last several days, with the Kansas Association of

Anesthesiologists. They are looking at these things and saying: This is really going to hurt us and our ability to provide services and care. I talked with other individuals who look at this, and they say: Wait a minute, you are going to change everything to try to get a few more people covered and you are going to gut a Medicare program that is not paying the bills now, that a number of private insurance plans are helping to subsidize Medicare and Medicaid, and you are going to cut the reimbursements that are not making things work yet? It makes no sense to individuals that this would take place.

I get called by a number of individuals across the State of Kansas saying they are very scared of this bill and what it is going to do to their health care. I do telephone townhall meetings, as a number of individuals across this body do, and the individuals there whom you get on a random phone calling basis are scared and mad about this bill and the prospects of what it does to their health care. I get it from individuals. I get it from mail.

I was in a meeting in Kansas the week of Thanksgiving, and I polled the audience—it was an audience that was mostly over the age of 65—how many were in favor of the overall bill? There were about 200-some people there, and 10 were in favor. How many opposed? Everybody else, with a few saying they don't have an opinion. But it was 90 percent, 95 percent opposed to this bill, and it is because they look at it and they see what it is going to do to them, and they don't see it providing the care that is being promised—and adding, on top of that, to the deficit.

One of two things is going to happen on these Medicare cuts, because we have seen, in the past, efforts to control the spending in Medicare passed by this body and then each year those cuts to try to restrain the spending on Medicare being restored.

One of two things is going to happen. Either these cuts in Medicare are going to take place, and it is going to cripple the program and particularly hurt it in a number of rural areas across the country and in my State, or these cuts will never take place in Medicare and it is going to add to a ballooning deficit and debt that is taking place right now. Either choice is an irresponsible choice for this body to do. It is irresponsible for us to do for this country. Most people look at it and say: I want to get more people covered, and I want to bend down the cost curve. But let's do that on an incremental basis.

Senator KYL spoke about incremental changes that can take place, whether it is tort reform, allowing bigger pooling on health insurance, whether it is starting more community-based clinics, one that I look at as something that has worked in my State to get more people covered at an earlier phase in their health care needs. All of those are incremental, low cost, and, in some cases, ones that actually do bend down the cost curve and

that can help, not a gargantuan \$2.5 trillion program that takes \$500 billion out of Medicare that is already headed toward insolvency in less than a decade. The bill doesn't make sense to individuals.

Then to do it on top of a time period when the President, 10 days ago, comes back from China, meeting with our bankers, as most people look at it, and the bankers lecturing us on why are we spending more money which we don't have, going further and further into debt, which we should not do at this point in time, being lectured by the Chinese when we ought to be talking to them about what they are doing about human rights and currency. We are being lectured about fiscal irresponsibility, and it is because of bills such as this. If we just stop and slow down and listen to seniors and others across this country, there is a commonsense middle ground that we can go to, that doesn't cost anything along the nature of this, doesn't change health care for most people but addresses the narrow problem of getting the cost curve down, of getting more people covered. This bill with these cuts in Medicare cripples many of my providers in the State of Kansas and will make them raise property taxes to keep the hospitals open, to try to provide doctors in the community—a lot of the hospitals are going to close and a lot of providers will stop providing Medicare—or, in all probability, these cuts will never happen, and it will be added to the debt and deficit, completely irresponsible toward our kids.

I urge my colleagues to vote for the McCain motion that makes sense, that is what the citizenry wants to do: send these cuts in Medicare back to communities and pull out of this bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. CORKER. Mr. President, how much time remains on our side?

The ACTING PRESIDENT pro tempore. There is 7 minutes 6 seconds.

Mr. CORKER. I thank the Chair.

Mr. President, I am glad to be on the floor of the Senate with the distinguished Senators from Kansas and Connecticut and Montana. We have obviously before us one of the most important issues we will deal with in this body.

I have had over 40 townhall-like meetings since the beginning of August. I can say without hesitation that I have never used those meetings to try to focus on some of the hot-button issues that divide us. On not one occasion have I tried to do that. I have tried to focus on the fundamentals of this health care bill. Way back when, when I began meeting with the distinguished chairman of the Finance Committee—I greatly appreciated his desire to meet with me—and realized that Medicare may be a place where money will be taken to leverage a new entitlement, I began expressing my concerns about that.

Later, I sent a letter to Majority Leader REID, signed by 36 Senators, talking about the fact that if Medicare moneys were used to leverage a new entitlement, we could not support that effort.

The reason I say this is, this is the same exact thing I have been saying about this bill from day one, before it was ever constructed. I am very dismayed that we find ourselves here in December debating a bill that does exactly that.

When I first came to this body, there was a lot of concern about the solvency of Medicare. Everyone here knows the trustees have stated that in 2017 Medicare will be absolutely insolvent. Two Senators from opposite sides of the aisle have tried to create legislation that would put in place a commission, eight Republicans and eight Democrats, to actually solve that issue. We realize we do not have the resources in Medicare to actually deal with the liabilities we have with seniors.

The fact that we are taking \$464 billion in savings out of Medicare to leverage a new entitlement, to me, is totally irresponsible. It is the same thing I have been saying from day one. I am dismayed that we would consider kicking the can down the road, making sure that people of the generation of the many people who are helping us on the floor today will be saddled with huge amounts of cost that they will not be able to deal with in a responsible manner. I am discouraged.

The fact is, the other piece of this that is extremely troubling is that we all know we have the issue of SDR, the doc fix, which is a colloquial term to describe the fact that in any year after this bill passes, physicians across the country will be receiving a 23-percent cut for serving Medicare recipients. Medicare recipients understand what that means. It means they will have less physicians to deal with the needs they will have at that time. This bill, instead of dealing with that issue, deals with it for one year. What that means is there is about \$250 billion worth of expenses that are not being dealt with with this Medicare savings.

Let me go walk it one more time. We have a program that is insolvent. We have a program that cannot meet the needs of those people who have paid into it for years and many of us continue to pay into. This program is insolvent, and we are going to take moneys out of this program, \$464 billion—something that most Americans cannot do, something that does not pass the commonsense test in Tennessee, and my guess is doesn't pass the commonsense test in most States—we are going to take \$464 billion out of this program, this entitlement which is underfunded and insolvent, and we will leverage it to create a new entitlement for Americans. Yet we are not going to deal with the issue of the doc fix, which is a \$250 billion issue. We are going to kick the can down the road. We are going to cause physicians around the

country next year to, if this bill passes—if not, certainly they will be dealing with that this year—but we are going to cause physicians around the country another year to be concerned about these huge cuts, not deal with it in this bill, and possibly end up with a \$250 billion obligation that could have been dealt with during this health care reform that now is not met, that is going to create additional fiscal burdens to this country and certainly great distress to seniors and physicians who care for them.

I tried to stick with the basic fundamental building blocks of this bill. I don't think anybody in this body has ever heard me focus on some of the more emotional issues. The fact that we would use Medicare moneys to create a new entitlement, the fact that we would have an unfunded mandate to States through Medicaid of \$25 billion, to me, is problematic; the fact that premiums are going to increase, whether it is the CBO number of 10 to 13 percent or the Oliver Wyman number in my State which says 60 percent, the fact that private premiums are going to go up and the fact that we are using 6 years' worth of costs and 10 years' worth of revenues—I don't know how we have gotten caught up in this debate in such a manner that we are ignoring basic fundamentals that I don't think any of us on our own accord would consider supporting.

The fact is, I am afraid this, again, has become nothing but a political victory for the President.

What I hope we will do is step back and do some things in a bipartisan way that will stand the test of time. I ran on health care reform. I would like to see us do responsible health care reform. The basic fundamentals of this bill do not meet that test.

I see my time has expired. I thank the Chair and the Senators on the other side of the aisle who have worked hard to put this bill together. I hope they will step back away from these flawed fundamentals, and I hope in some form or fashion we will put together a bill that will stand the test of time.

I yield the floor.

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

Mr. DODD. Mr. President, how much time do we have?

The ACTING PRESIDENT pro tempore. The Senator has 30 minutes.

Mr. DODD. Mr. President, let me first talk about the Medicare issue, because this has been the subject of sort of round-and-round debate, back and forth over the last couple of days. It is important to share, again, as emphatically as I know how what is being done with regard to Medicare. The whole idea is to strengthen Medicare, to put it on a sounder footing, to extend its solvency from 8 years by an additional 5 years, which we do under this bill, making it a stronger, more reliable source of health care for older Americans.

In fact, the finest and largest organization representing older Americans, which doesn't lightly endorse proposals without examining them thoroughly—hardly a partisan group given the fact of where they have been on these issues—has put out, once again, in the last 24 hours, a statement laying out the facts of what is included in the bill drafted by the Finance Committee principally in this area of Medicare.

Let me recite, if I may, the facts as they identify them. Fact No. 1, none of the health care reform proposals being considered by Congress would cut Medicare benefits or increase out-of-pocket costs for Medicare services. That is not from the Democratic National Committee. It is not from the HELP Committee or the Finance Committee. This is from AARP saying: None of the proposals in this bill cut Medicare benefits or cut Medicare services.

Fact No. 2, the health care reform bill drafted by the Finance Committee will lower prescription drug costs for people in the Medicare Part D coverage gap, or the so-called doughnut hole with which many seniors are familiar.

We are going to cut the cost of prescription drugs. Again, this is not from some partisan group announcing what is in the bill. This is from an objective, nonpartisan analysis of the bill that is before us.

Fact No. 3, health care reform will protect seniors' access to their doctors and reduce the cost of preventive services so patients stay healthier. Again, that is critical.

I presume others understand this; it is so axiomatic you wonder why you have to explain it. It is better to catch a problem before it becomes a major problem. Through mammograms, colonoscopies, obviously examinations and screenings, you can discover that an individual has a problem and, if caught early enough, can address it. As many of my colleagues know because it became rather public, I went through cancer surgery in August. It was discovered that I had an elevated PSA test, indicating I had prostate cancer. That screening let me know that I had a growing problem that I had to deal with. So I went through a variety of discussions on what best to do, what was the best way to handle all of this and decided that surgery made the most sense.

The cost of that surgery is expensive. It is not cheap—\$5,000, \$6,000, \$7,000, \$8,000 to do it. If I had not discovered I had prostate cancer and it had grown, I could have become 1 of the 30,000 men a year in this country who die from it, or if I had waited longer for it to be full-blown cancer, I am told it could have easily cost \$250,000. So by catching this early and getting the needed treatment, I was not only able to stay alive and stay healthier, with two young daughters aged 4 and 8—and looking forward to the day I may dance at their weddings—but also there were the savings because it did not grow

into a problem that would require massive expenditures to deal with it.

Our bill deals with that. We provide for the first time ever that seniors and other Americans have access to prevention and screening tests that would allow them to discover problems they have early on. That is according to AARP. That is what we drafted in this legislation. It is a major benefit.

I listened to our colleague from North Carolina yesterday, Senator HAGAN, talk about nurses in a hospital in her State of North Carolina who were not getting mammograms early, not because they did not want them but because, of course, the out-of-pocket expenses for them are so high they could not afford to do it and pay rent and put food on the table and take care of their families.

That hospital in North Carolina decided they were no longer going to require their nurses to pay those high out-of-pocket expenses and they eliminated that. As a result, every nurse—or almost every nurse—in that hospital got those mammograms early on and, of course, could identify problems before they became larger issues for them to grapple with.

That is what this bill of ours does. That is a major achievement—a major achievement. So the suggestion is, we ought to roll back and commit this bill. But that would eliminate the kind of investments we make in reducing the cost of prescription drugs or providing the kinds of benefits so people can get screenings and treat problems while they are still small.

As a Senator, I have a health care plan that allows me to do that. I am 1 of 8 million people in this country who are Federal employees. We all get to do that. Why should a Senator's battle with cancer be more important than someone else's in this country? Why shouldn't every American male over the age of 50 be able to be screened to determine whether they might have prostate cancer?

That is what we are talking about. That is what we are achieving in this bill. The idea that the status quo is OK is wrong. It is not OK. To say we ought to throw the bill back into committee, again—we all know what the meaning of that is, of course. It will mean an end to this legislation. Those are the facts.

Fact No. 4, if you will: Rather than weaken Medicare, the health care reform will strengthen the financial status of the Medicare Program. That is from AARP. That is not some partisan conclusion.

I say, respectfully, to our colleagues, and having been through this at great length over the summer, filling in for our friend whom we have now lost, Senator Kennedy, we went through long debates and discussions early on, a lot of bipartisan discussions. As I pointed out earlier, as to the bill that came out of the Health, Education, Labor, and Pensions Committee in the Senate, we conducted the longest

markup in the history of that committee, going back decades, in order to listen to each other and to try to provide a bipartisan bill.

In many ways, that bill is a bipartisan bill. It did not get bipartisan votes, unfortunately, coming out of committee. But the substance of the legislation includes the ideas and thoughts of our colleagues across the political spectrum, and it is important the public know that during the debate.

This is not a bill that was rushed through, jammed through. My colleague from Montana, Senator BAUCUS, spent weeks and weeks—months—with Democrats and Republicans gathered around the table late into the evenings talking about how we can shape this bill on a bipartisan basis. I attended many of those meetings in his office. No one can accuse the Senator from Montana of not reaching out to the other side to be a part of this solution. He went beyond the extra mile to achieve that, and he was flatly turned down, regretfully, in that effort. But that should not be a reason why we do not try to move forward.

I am still hoping we can get bipartisan support for the bill before it is concluded, but we will only get there if we work at it, and this is where we are working at it: on the floor of the Senate, and this debate is an opportunity to come forward and make constructive suggestions—not sending the bill back to committee, in effect, killing the legislation. That is the effect of what would happen if the McCain amendment were adopted.

Rather than engage in this kind of debate back and forth, where the Republicans say Medicare gets cut and the Democrats say, no, it does not, I wished to share with my colleagues this morning what nonpartisan, outside groups say about this bill. Listen to those who have made an analysis of this bill who do not wear a partisan hat, who do not have a political label attached to their names but are viewing every syllable, every punctuation mark in the bill to determine what it does for people. The most important, significant organization that represents the interests of the elderly in this country has analyzed this bill and has said to America: This is a good bill. This bill strengthens Medicare, provides benefits, and reduces costs.

That is what we have tried to achieve over these many months. So let's move on. If you want to cut this bill, if you want to change all this, then offer an amendment and let's vote on it, up or down, and move forward. I urge my colleagues to support this legislation and reject the McCain amendment because I think his proposal would do great damage to the effort we have achieved so far.

With that, I yield the floor.

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

Mr. BAUCUS. Mr. President, I noted that the other side, in the last couple,

3 days, has tried to make the case that seniors' Medicare benefits are in jeopardy because "this legislation cuts Medicare." I have heard that statement over and over and over and over again. In fact, the last speaker on the other side made that same point.

I am confounded, I am very surprised, when I hear those statements. Why am I very surprised? Because it is totally, patently false. It is false. It is untrue. There are no benefits cut here, none. One could say that with the private plans, the Medicare Advantage plans, which are vastly overpaid—the non-partisan MedPAC organization states they are vastly overpaid by about 14 percent—one could say those private plans—it is not Medicare; those private plans, Medicare Advantage; those are not Medicare plans, those are private plans, private insurance plans—they may be overprescribing some non-guaranteed benefits for beneficiaries, things such as eyeglasses or something like that, which might be cut back. That is true. But none of the guaranteed benefits—the basic benefits under Medicare that every senior knows about when he or she goes to the doctor; and it is care under Medicare—is reduced. None. Nothing is cut.

In fact, this legislation adds benefits to seniors. For example, it virtually fills up this thing we call the doughnut hole. That is the portion of prescription drug payments that seniors otherwise would have to pay. But we say \$500 of that is going to be paid for, and the rest of it is going to be paid for at least for 1 more year. So that is an additional benefit. Then all the screening provisions that are in this bill, that is an additional benefit. There are many other benefits that are added onto the ordinary benefits seniors have.

So it is not true—it is not true—that the basic guaranteed benefits under Medicare are cut. None of the guaranteed benefits under Medicare are cut—none. So it is totally untrue. It is false when people make the claim that "Medicare is being cut."

They are being very clever, the people who are making those claims. What they are saying when they say Medicare will be cut—they want you to think they mean benefits will be cut—but deep in their mind, what they are holding back in their mind—well, when pressed, they will agree, well, it is the Medicare providers, it is the hospitals, it is the medical equipment manufacturers, it is the pharmaceutical industry. That is being cut. That is "Medicare" that is being cut and, therefore, that will hurt seniors. That is kind of the way they get around it.

Well, the fact is, the way you preserve the solvency of the trust fund is to make sure there are not so many payments, frankly, by Uncle Sam going to pay for all the doctors and hospitals and so forth so the solvency of the trust fund is extended. Right now this legislation extends the solvency of the Medicare trust fund. If this legislation were not to pass, the Medicare trust

fund would probably go insolvent in about the year 2017. But this legislation extends the solvency of the trust fund for at least 5 more years to 2022.

So I wish to make it very clear that this legislation we are considering does not cut Medicare benefits. In fact, the hospitals and docs, I would say, are going to find at least a 5-percent increase in growth over the next 10 years in payments to them under the Medicare Program—growth. I have a chart which I showed yesterday on the floor. It showed, for each of the various years, it is a 5-percent increase in growth for all those industries. They are being cut 1.5 percent, but that is from a 6.5-percent growth, to net down to a 5-percent growth for each of the years.

You ask analysts on Wall Street how hospitals are doing. They are doing great under this legislation. You ask analysts on Wall Street how the pharmaceutical industry is doing. They are doing great under this legislation. You ask any analyst about other industries—home health care, hospice care, you name it—they are all doing OK. Wall Street analysts say they are doing fine.

Why are they doing fine? Why, objectively, are they doing fine? Why do the CEOs of these organizations not grumble too much? Because they know what they may lose in a little bit of a reduction in their payments—they will still get big, hefty payments—they will make up in volume because so many more people will have health insurance. They know that. They are going to make a lot of money. So they are OK.

So it is not true that Medicare is going to go broke under this legislation. First of all, there is no reduction in benefits. That is very clear. Senator DODD read a letter from AARP making that very clear. Also, the reductions are not reductions in provider payments; they are reductions in the rate of growth of provider payments, and they are going to do fine. Providers do not care that much because they are making it on volume because everybody is going to have health insurance. They have quite a bit—a 5-percent growth rate anyway. So it is not true—it is not true—that Medicare is in jeopardy because of this legislation. It is not true that benefits are going to be cut. In fact, just the opposite is true. This legislation strengthens benefits, increases benefits, extends the length of the Medicare trust fund to a future date further down the road, so it stays solvent for many years than otherwise is the case.

This legislation helps seniors. It helps seniors, contrary to what you are hearing on the other side that it hurts seniors. If you just look at the facts, not the rhetoric—not the rhetoric but just look at the facts, look at the facts and look at who the supporters of this legislation are and objective groups and what they say about this legislation—you cannot help but be compelled

to the conclusion that this legislation is not only good for seniors, it is very good for seniors.

#### RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

Mr. McCONNELL. Mr. President, with the apologies to my good friends from Montana and Connecticut, I was unavoidably detained at the opening and would like to now, on my leader time, give my opening remarks.

The ACTING PRESIDENT pro tempore. The Senator has the floor.

#### AFGHANISTAN

Mr. McCONNELL. Mr. President, the challenges of the ongoing war in Afghanistan are immense, but Americans believe in the mission. They trust the advice of our commanders in the field to see that mission through.

So I support the President's decision to follow the advice of General Petraeus and General McChrystal in ordering the same kind of surge in Afghanistan that helped turn the tide in Iraq.

These additional forces will support a counterinsurgency strategy that will enable us to begin the difficult work of reversing the momentum of the Taliban and keeping it from power.

The President is right to follow the advice of the generals in increasing troops, and he is also right to focus on increasing the ability of the Afghan security forces so they can protect the people.

By doing both, he has made it possible for our forces to create the right conditions for Afghanistan—the right conditions for them to defend themselves, create a responsible government, and remain an ally in the war on terror.

Although our forces are in Afghanistan to defend our security interests, the people of Afghanistan must assume a greater burden in the future. The President's plan recognizes that.

Once we achieve our objectives—an Afghanistan that can defend itself, govern itself, control its borders, and remain an ally in the war on terror—then we can reasonably discuss withdrawal, a withdrawal based on conditions, not arbitrary timelines.

But, for now, we owe it to the American people, to those who died on 9/11, and to the many brave Americans who have already died on distant battlefields in this long and difficult struggle, to make sure Afghanistan never again serves as a sanctuary for al-Qaida. We owe it to the men and women who are now deployed or who will soon be deployed to provide every resource they need to prevail.

#### HEALTH CARE REFORM

With every passing day, the American people become more and more perplexed about the Democratic plan for health care, and they like it less and less.

Americans thought reform meant lowering costs. This bill actually raises

costs. Americans thought reform meant helping the economy. This bill actually makes it worse. Americans thought reform meant strengthening Medicare. This bill raids it to create a new government program that will have the same problems that Medicare does. Americans wanted reform. What they are getting is the opposite—more spending, more debt, more burdens on families and businesses already struggling to get by.

One of the biggest sources of money to pay for this experiment is Medicare. This bill cuts Medicare Advantage by \$120 billion. It cuts hospitals by \$135 billion. It cuts home health care by \$42 billion. It cuts nursing homes by \$15 billion. It cuts hospice by \$8 billion.

Reform shouldn't come at the expense of seniors. The McCain amendment guarantees it wouldn't. The McCain amendment would send this bill back to the Finance Committee with instructions to remove the language that cuts Medicare. The McCain amendment also says any funds generated from rooting out waste, fraud, and abuse should be used to strengthen Medicare, not to create an entirely new government program.

A vote in favor of the McCain amendment is a vote to protect Medicare. Let me say that again. A vote in favor of the McCain amendment is a vote to protect Medicare. A vote against the McCain amendment is a vote to raid this vital program in order to create another one for an entirely new group of Americans. So a vote against the McCain amendment is a vote to take money out of Medicare to create a program for an entirely different set of Americans. A vote against the McCain amendment is a vote against our seniors, and it is a vote against real health care reform.

Mr. President, I yield the floor.

Mr. DODD. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. There is 13½ minutes.

Mr. DODD. I yield myself 5 minutes, if I may. I want to go back, if I can. I wish to put up these charts. Again, I say this respectfully, because I genuinely believe that people across the spectrum want to see some reform of the health care system. The question is whether the proposal that has been laid before us by the Finance Committee and the HELP Committee achieves reform and whether the ideas we bring to the table are actually going to achieve lower costs, provide greater access, and improve the quality of health care. We believe very firmly and strongly that it does.

There are outside observers of this process who have no political agenda whatsoever other than to make determinations as to whether the goals we have sought in this legislation achieve the desired results. It is the conclusion of the major organizations that make these determinations that, in fact, we have done exactly what we said we had set out to do.

But I wish to point out, because I think it is important when I hear the arguments from our friends on the other side about their deep concerns about Medicare, it is very important they understand that over the last number of years, we have seen quite the opposite reaction when it comes to the Medicare Program in our Nation. Going back to 1995, when our friends took control of both this body and the other body, the then-Speaker of the House Newt Gingrich announced to the world that basically he was prepared to let Medicare "wither on the vine." That is not ancient history. That is not 1965 when the Medicare Program was adopted; that is merely 14 years ago when the other party, for the first time in 40 years, became the dominant party here in Congress. One of the first statements from the leadership of that party was to let this program "wither on the vine." Again, that is one person, the Speaker, the leader of the revolution that produced the results electorally in 1994. But I think it is important as a backdrop. When we hear the debate about Medicare, it is important to have some history about where the parties have been on this issue, generally speaking. So in 1995 we begin with that as a backdrop.

In 1997, 2 years later, it happened again. In 1997, proposed Medicare cuts in the Republican Balanced Budget Act of that year were twice as much as the savings we are talking about in this bill. They proposed a 12.4-percent reduction in Medicare benefits in 1997. Of course, the last budget submitted by President Bush last year—again, reflective of where things stand, and this is a year ago, not 14 years ago, and not 1997, but 2009—the Bush administration in its submission of this budget proposed a \$481 billion reduction in Medicare benefits. That was not in the context of a health reform bill; that was in the context of a budget proposal.

Here we are talking about savings by reducing costs for hospitals and other providers as a way of strengthening Medicare, providing more benefits to the beneficiaries themselves through things such as prescription drugs as well as screenings and early prevention efforts which are included in our bill. Those things have been identified, of course, by AARP and the National Committee to Preserve Social Security and Medicare. They have analyzed our proposals and have suggested we do just that. We strengthen Medicare and we preserve those benefits. Our bill saves \$380 billion in order to strengthen the Medicare proposal. It improves the quality of health care for seniors as part of our comprehensive reform. In fact, Senator COBURN's Patient Choice Act actually imposes \$40 billion more in cuts to Medicare Advantage than our bill does.

I find it somewhat intriguing that those who are arguing for the Coburn proposal as an alternative and simultaneously suggesting we ought not to do anything to Medicare Advantage have



not read the Coburn bill, because he cuts \$40 billion more out of Medicare Advantage than we did in our legislation as proposed.

In conclusion, let me quote from the National Committee to Preserve Social Security and Medicare—again, not a partisan organization. Their sole mission is to see to it that Social Security and Medicare will be there for the people it was intended to support. Let me quote exactly from a letter sent to every Senator yesterday from the committee:

Not a single penny of the savings in the Senate bill—

the bill now before us—

will come out of the pockets of beneficiaries in the traditional Medicare program. The Medicare savings included in H.R. 3590, the Patient Protection and Affordable Care Act, will positively impact millions of Medicare beneficiaries by slowing the rate of increase in out-of-pocket costs and improving benefits, and it will extend the solvency of the Medicare trust fund by 5 years. To us, this is a win-win for seniors and the Medicare program.

So we can hear all of the partisan debate back and forth as to what this bill does, but if you are interested in what those organizations say, whose sole mission is to analyze whether beneficiaries are going to be advantaged or disadvantaged by what is being proposed here, they categorically, unequivocally, suggest that the McCain amendment does just the opposite of what our bill does. It would roll the clock back, damage seniors terribly by reducing or eliminating the provisions we have included in our bill, and they strongly support what the Finance Committee wrote in its bill that is now presented to all of us here as a way to strengthen and preserve the Medicare Program.

I say to my colleagues and to others, you can listen to this partisan debate back and forth as to whether you want to believe the Democrats or believe the Republicans, but I would suggest if you are not clear who to believe in this, listen to the organizations whose job it is to protect this program, with whom we have worked very closely to determine that we would not in any way reduce those guaranteed benefits that Senator BAUCUS addressed in his remarks. That is what we do. That is why this bill is a good bill and deserving of our support. I urge our colleagues to reject the McCain amendment.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, the Republican leader a few moments ago said this bill raises costs. With all due respect to my good friend from Kentucky, that statement is false.

Just this week, the nonpartisan Congressional Budget Office, the organization that analyzes legislation—and both sides, both bodies depend on it; it is a very professional outfit, I might add—said our bill would reduce premiums, not increase but reduce premiums for 93 percent of Americans.

And for all Americans, it would make sure that better quality insurance is available.

Let me state that a little bit differently. The Congressional Budget Office said that for 93 percent of Americans, premiums would be reduced. It is true that for 7 percent that is not the case. Those are Americans whose incomes are too high to qualify for subsidies; that is, the tax credits, buying insurance in exchange. But those 7 percent would get a lot better insurance, a lot higher quality insurance than they get today because of the insurance market reforms that are in this legislation. The provisions prevent insurance companies from denying coverage based on preexisting conditions, health status, the committee market rating provisions, no rescissions, et cetera. So for all Americans, it is true that this legislation will provide better quality insurance comparing apples with apples. There is a reduction for 93 percent of Americans. The other 7 percent would be in the individual market and they would have a lot higher quality insurance. So if the quality is much higher, it would exceed the increase in premiums. They would be getting a better deal than they would otherwise be getting.

CBO looked at this for the year 2016. They didn't look at it for other years, but at least that is the case for 2016: a reduction, not an increase but a reduction. In fact, for many in the nongroup market, those who individually buy insurance, they would find their premiums would be reduced about 40 or 50 percent. About 60 percent of those in the nongroup market are finding their insurance premiums would be reduced. I don't have the exact figure in front of me, but it is in the neighborhood of a 40- or 50-percent reduction in premiums. That is due to tax credits. Again, CBO says those tax credits would cover nearly two-thirds of premiums. So I guess I was a little conservative. It is a little more than 40 or 50 percent. It would cover two-thirds of premiums.

CBO said those getting these tax credits would pay for roughly 56 percent to 59 percent lower premiums than they would without our bill. Those are real savings. That is with respect to the premiums.

What about out-of-pocket costs? This legislation has absolute limits on out-of-pocket costs. Today insurance companies can sell you a policy, you pay certain premiums, but there is no limit on the out-of-pocket costs you might have to pay. Your deductible is so high, for example. This legislation puts an absolute limit so no policy can be sold that allows you to have out-of-pocket costs above a certain amount. I think it is \$6,000 for an individual, and it might be double that for a family. But there is a limit. So this bill does not, as stated by the minority leader, raise costs. In fact, it reduces costs.

In addition, there are many people who say, Oh, gosh, this is a \$1 trillion

bill. Some people even say it is a \$2.5 trillion bill. Senators on the other side of the aisle make those statements and they say this to try to scare us.

I will be honest with you. I don't know if they believe it. They like saying it because it is a nice, good scare tactic. I say I am not sure they believe it. I wonder if they believe it, because when you read the legislation, it is deficit neutral. It does not add to the deficit.

We have a budget resolution. Under that budget resolution, health care legislation for the next 10 years has to be deficit neutral. It cannot add one thin dime to the deficit. So I am a little curious when people talk about a \$1 trillion bill. In fact, it reduces the deficit by \$130 billion over a 10-year period. That is what the Congressional Budget Office says, the professional nonpartisan budget office.

In the second 10 years, the CBO says our bill reduces the deficit by a one-quarter of 1 percent of the gross domestic product. That is roughly  $\frac{1}{2}$  trillion. In the second 10 years, this legislation reduces the deficit by  $\frac{1}{2}$  trillion. That is a reduction in the deficit.

I don't know why these people are saying on the other side that this is a trillion-dollar bill. One said—and I will not mention his name—the other day that this is a \$2.5 trillion bill. That is not true. It is just not true because it is paid for. It would only be fair for them to say it is paid for. I think it is fair to get both sides of the story, not just one side. It does cost \$1 trillion over 10 years, but it is more than paid for over 10 years. Those who say \$2.5 trillion—they start at 2014 up to 2020, and say that is why it costs so much. It is paid for during those years, too.

Let me make it very clear this bill doesn't raise costs. In fact, it lowers costs, and the CBO says so. It doesn't add to the Federal deficit. In fact, it reduces the Federal deficit. I urge everyone to look at the facts closely whenever we hear statements made by anybody, including me. I urge people to listen to the words and read between the lines and see what is really going on. Like my father used to say: Don't believe everything you read and only half of what you hear. Take everything with a few grains of salt.

The PRESIDING OFFICER (Mr. KIRK). The Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, I agree with the Senator. That is why we have 22 minutes on the Republican side to clear up some misconceptions.

The Democratic health care bill does cost \$2.5 trillion over 10 years when it is fully implemented. If I may say so, it is arrogant to think the American people couldn't figure out the difference between the first 10 years, when the bill wasn't implemented in 4 of those years, and they would like to know that it costs \$2.5 trillion.

Mr. BAUCUS. Will the Senator yield for a question?

Mr. ALEXANDER. If it is on your time.

Mr. BAUCUS. Is it paid for?

Mr. ALEXANDER. The Senator is right. It is paid for by cutting grandma's Medicare. It is paid for by cutting grandma's Medicare by \$465 billion over a 10-year period of time, and about \$500 billion in taxes—

Mr. BAUCUS. That is a second question I would love to debate with the Senator. But on the first question only, the Senator admits it is paid for?

Mr. ALEXANDER. No. I admit it costs \$2.5 trillion, and the attempt to pay for it is through Medicare cuts, tax increases, and increases to the deficit by not including the physician reimbursement in the health care bill.

Mr. BAUCUS. One more question. I think we all know the House has taken action on physician reimbursement, and the Senate will also do so before we adjourn. That is the so-called doc fix. That is a separate issue. That will be paid for. Putting the doctor issue aside, health care reform—and I say that because we take up the doc fix virtually every year. We don't take up health care reform every year. That is an entirely separate proposition, separate legislative endeavor.

If the Senator will bear with me and take the doc fix off the table for a second—we can address that later—health care reform—to use a 10-year number, or when you start in 2010 or in 2014, wherever you are starting—either there is \$1 trillion or \$2.5 trillion, depending where you start, not getting into how it is paid for. Is it paid for and therefore it is not deficit; am I not correct?

Mr. ALEXANDER. I will concede to the Senator from Montana that the attempt of the Democrats to pay for this \$2.5 trillion bill consists of Medicare cuts, tax increases, and additions to the deficit by not including the physician reimbursement, which is an essential part of any 10-year health care plan. There may be other problems, but those are the three things I know about.

Mr. BAUCUS. One more question on my time. Is it true there are no cuts in guaranteed beneficiary payments—none whatsoever—in this legislation—in guaranteed benefits?

Mr. ALEXANDER. I would say no to that, Mr. President, because the Director of the Congressional Budget Office made it clear there would be specific cuts in benefits for those who have Medicare Advantage, which is about one out of four seniors.

Mr. BAUCUS. Is it true those provisions are not guaranteed provisions? I am talking about guaranteed benefits that seniors expect to get when they go to the doctor, fee for service, expected benefits, under ordinary Medicare, not benefits that a private plan may pay in addition.

Mr. ALEXANDER. Mr. President, it is clear there are \$465 billion in cuts in Medicare. The Chair and the Senator from Montana and the Senator from Connecticut have all agreed that is a big part of how the bill is supposedly

paid for. It is specific enough to say that \$135 billion comes from hospitals; \$120 billion from Medicare Advantage, which 11 million seniors have; nearly \$15 billion from nursing homes; \$40 billion from home health agencies; \$8 billion from hospices.

The Director of the CBO testified that provisions like that would result in specific cuts to benefits for Medicare Advantage. He said that fully half of the benefits currently provided to seniors under Medicare Advantage would disappear. The changes would reduce the extra benefits, such as dental, vision, and hearing coverage, that currently are made available to beneficiaries.

Mr. BAUCUS. One more question. Does the Senator agree this legislation will extend the solvency of the Medicare trust fund for 5 years, and failure to pass this would mean the solvency of the Medicare trust fund would not be extended for 5 years?

Mr. ALEXANDER. I wholeheartedly disagree with that. The Medicare trustees have said that between 2015 and 2017 Medicare will be approaching insolvency. They have asked that we take urgent action. The urgent action recommended by the Democratic majority is that we take \$465 billion out of the Medicare Program over 10 years and spend it on a new entitlement.

It is hard for me to understand how that can make Medicare more solvent, when you take money out of grandma's Medicare and spend it on someone else.

Mr. MCCAIN. Will the Senator yield?

Mr. ALEXANDER. Yes.

Mr. MCCAIN. Isn't it, shall we say, Enron accounting when you have a proposal that, as soon as the bill becomes law, you begin to raise taxes and cut benefits, and then you wait 4 years before any of the benefits are then extended to the beneficiaries? That, on its face, is a remarkable piece of legislation. My experience, which has only been 20-some years, is that we haven't passed legislation that says we are going to collect taxes on it for 4 years, and then we are going to give you whatever benefits that may accrue from this legislation. Again, there has been no time in history where we have taken money from an already failing system to create a new entitlement program.

Mr. BAUCUS. Which colleague is the Senator asking that?

Mr. MCCAIN. I believe the Senator from Tennessee has the floor.

Mr. BAUCUS. He does.

Mr. MCCAIN. I was addressing the person who has the floor, which I am sure the Senator from Montana should understand by now.

Mr. ALEXANDER. I say to the Senator from Arizona that he is exactly right. Another way to describe it, the Senator from Kansas said it was like writing a big check on an overdrawn bank account and buying a big new car. Maybe another way, if I may respond to the Senator from Arizona—I ask unanimous consent that Republican

Senators, on our time, be allowed to engage in a colloquy.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BAUCUS. May I ask the Senator another question?

Mr. ALEXANDER. I would like to finish responding to Senator MCCAIN, if I might.

Mr. BAUCUS. Then I have a question on the same subject.

Mr. ALEXANDER. I hope the Parliamentarian is keeping track of the Republican time. I am enjoying the questioning, and I thank the Senator for his question. One of the things—in fact, a great compliment has been paid to the Senator from Arizona. It is rare that a Senator can have something he said actually begin to break through the fog.

Dana Milbank, a columnist for the Washington Post, wrote a column about it being all about grandma and wondering why we never mention grandpa. Maybe Mr. Milbank hasn't seen the movie "My Big Fat Greek Wedding," where the man said, "I'm the head of the house," and the woman said, "I'm the neck, because I can turn the head any way I want."

We are talking about grandma because she can help persuade grandpa. If we take \$465 billion out of Medicare over 10 years, grandma and grandpa and those who are younger and looking forward to Medicare will be affected.

If I may say to the Senator from Arizona—and I see the Senator from Oklahoma and the Senator from Nebraska—it wasn't long ago, in response to the question—in fact, in 2005, when we sought to restrain the growth of Medicare by \$10 billion over 5 years, and this is what they said—remember, they are "restraining" the growth of Medicare by \$465 billion and spending it on a new program, and Republicans were, at that time, trying to save \$10 billion over 5 years.

"An immoral document," said Senator REID and Senator DODD. The Senator from Connecticut said that funding for Medicare would be cut. Senator ROCKEFELLER: "A moral disaster of monumental proportion." Senator BOXER, in the same way, compared it to Katrina. Senator KERRY said we are "passing the costs on to seniors." Senator LEVIN said people are "going to be hurt by this bill." "Irresponsible and cruel," said Senator KOHL. Senator REED and Senator Hillary Clinton also made similar comments.

That was for \$10 billion of restraining the growth of Medicare to spend it on the existing program. Yet this proposal by the Democrats would take \$465 billion and spend it on a new program.

Mr. MCCAIN. Isn't it true—and the Senator from Montana is on the Senate floor and wants to enter into this. Maybe he can respond to his comments of 14 years ago. We weren't trying to create a new entitlement program, which is the object of the Senator's bill. We were just trying to enact some savings in the Medicare system.



What did Senator BAUCUS say? He said:

And above all, we must not use Medicare as a piggy bank.

What are we using the \$483 billion in cuts in Medicare for?

Then he said:

That is disgraceful. Perhaps some changes lie ahead. But if they do, they should be made for the single purpose of keeping Medicare services for senior citizens and people with disabilities.

Isn't it true that now that we are taking \$483 billion out of a failing system the Medicare trustees say is going to go bankrupt, and the Senator from Montana, 14 years ago, said:

Seniors could easily be forced to give up their doctor, as doctors begin to refuse Medicare patients and hospitals—especially rural hospitals—close.

Isn't that the effect of taking \$483 billion in cuts in Medicare? Then the Senator from Montana went on to say:

Equivalent to blowing up the house and erecting a pup tent where it used to be.

Instead of blowing up a pup tent, I would say what they are doing is like a hydrogen bomb. Finally, Senator BAUCUS said:

Staggering. The leadership now proposes something like \$250 billion in Medicare cuts. It is staggering. It is a reduction of nearly a quarter in Medicare services by the year 2002.

All of us here learn about the issues. Apparently, the Senator from Montana didn't learn much, because he was deeply concerned 14 years ago about a very small savings in Medicare. Now he wants to spend \$2.5 trillion and taking \$483 billion out of Medicare to create a new entitlement system.

Mr. BAUCUS. Might I respond to the Senator?

Mr. ALEXANDER. Mr. President, I am happy to see a debate actually break out on the Senate floor on this issue.

Mr. BAUCUS. Here is your opportunity; here is your chance.

Mr. ALEXANDER. As long as it is on Democratic time.

Mr. BAUCUS. It is on both sides. We have even time.

Mr. ALEXANDER. I mean whatever time the Senator uses should be on Democratic time.

Mr. BAUCUS. Yes. The basic question, obviously, is how to protect Medicare benefits. I think most of us would say how do we protect Medicare benefits and extend the solvency of the Medicare trust fund. I think we would all agree that excessive payments to providers would cause insolvency of the trust funds to come earlier rather than later. We all agree with that proposition.

The next question is, What would excessive payments to providers be? Do providers get paid excessively? I think that is an honest question we should ask ourselves in a way to help extend the solvency of the Medicare trust fund. In fact, in 1995, many Senators, especially on the other side of the aisle, did say just that, that we have to

cut Medicare in order to save benefits. That was made by many Senators. I have them right in front of me, if anybody wants to hear them. I am not going to go through all of that, but it is the truth. That is exactly what we are doing in this bill. We are trying to help extend the solvency of the Medicare trust fund by cutting down on excessive provider payments from the Medicare trust fund.

How do we decide whether payments are excessive? That is the basic question here. All we can do is just give it our best shot, make our best judgment. I think it makes sense to look at the recommendations by outside independent groups, what they think. One is MedPAC, the Medicare Payment Advisory Commission. That is an outside group, as we all know, that advises Congress on Medicare payments. As Members of Congress, we are not totally competent to know exactly what dollars should go to which industry group. We have too many other obligations to think about. As Senators, we must be responsible to do the best we can. MedPAC has said these groups have been overpaid. And Wall Street analysts tend to agree. In fact, MedPAC said, with respect to Medicare Advantage, that they have been overpaid—I forget the exact amount but much less than the \$118 billion reduction in this bill.

In fact, I totaled up and looked at the projected growth rate of providers—hospitals, nursing homes, home health, hospice, PhRMA, you name it—and on average their growth rate over the next decade is going to be 6½ percent. That is the growth rate of providers. We decided to trim that a little bit by 1.5 percent. So it is 5 percent. It is a 5-percent growth rate in an attempt to try to find the right levels of reimbursement to providers, which will also help extend the solvency of the Medicare trust fund.

When we talk to providers, they basically agree with those cuts. They basically agree. Why do they basically agree? They basically agree because they know that with much more coverage, with many more people having health insurance, they could spread out their business. They may lose a little on margin, but they can pick it up on volume. That is exactly what their business plan is under this bill.

Wall Street analysts say—I quote them—these industries are doing great, they are doing well under this bill. They are not getting hurt. So we do achieve a win-win—I don't like that phrase, by the way, but I will use it here—where the solvency of the trust fund is being extended and where reimbursement rates to providers are fair—not being hurt; it is fair. And that is why they want this bill, by and large.

Most groups tend to want this bill enacted because they know it is good for the country, it is good for the seniors, and it is good for them too.

Mr. MCCAIN. Mr. President, may I just mention again, \$70 billion in fraud,

abuse, and waste, and Senator COBURN, the doctor, can tell you, that is nowhere in this bill. The fact is, maybe some of the providers have been bought off, jawboned, or had their arms twisted or given a good deal, like PhRMA has. Recipients have not. Medicare recipients know you cannot cut \$483 billion without ultimately affecting their benefits, and that is a fact.

Again, conspicuous by its absence, I say to the Senator from Montana, totally conspicuous by its absence is any meaningful malpractice reform, which has been proven in the State of Texas and other States to reduce costs and to increase the supply of physicians and caregivers. There is nothing in this bill that is meaningful about medical malpractice reform.

I had a townhall meeting with doctors in my State, and everyone stood up and said: I practice defensive medicine because I fear being sued.

If you are really serious, I say to the Senator from Montana, if you are really serious about this, medical malpractice should be a key and integral part of it. Even the CBO costed it out at about \$54 billion a year. When you count in all the defensive medicine, it could be as much as \$200 billion over 10 years. That is conspicuous by its absence. I think it brings into question the dedication of really reducing health care costs across America.

Mr. ALEXANDER. Mr. President, we have enjoyed our discussion with the distinguished chairman of the Finance Committee and thank him for his questions.

Senator COBURN, who is a physician—the Senator from Montana talked about doctors being overpaid. He talked about—

Mr. BAUCUS. No, no, no, I did not. With all due respect, I did not say that.

Mr. ALEXANDER. Didn't I hear the words "providers overpaid"?

Mr. BAUCUS. I talked about hospitals. I did not talk about doctors overpaid. If I may say to my friend from Tennessee, this legislation pays more to primary care doctors, a 10-percent increase in Medicare reimbursement for each of the next 5 years. I did not say "doctors."

Mr. ALEXANDER. I must have misunderstood. Normally when we talk about providers, we talk about hospitals and physicians.

We have a physician on the Senate floor, the Senator from Oklahoma. I wonder if he, having heard this debate, might want to comment. I might say, isn't it true that the McCain motion, which we have on the floor, would send this back to the Finance Committee and say: If there are savings, let's spend it on Medicare to actually strengthen it?

Mr. COBURN. Mr. President, I thank the Senator. The first comment I have is about relying on what Wall Street analysts say today. They have about this much credibility in this country today. Look at the economic situation we find ourselves in because of what

Wall Street analysts have said. That is the first point I would make.

The second point is that the majority whip yesterday said we should cut Medicare Advantage because of the 14 percent. Senator DODD just recently went after the Patients' Choice Act because we actually make it be competitively bid without any reduction in benefits. Your bill, for every Medicare Advantage, cuts 50 percent of the benefits out. It cuts the benefits.

The difference is—and I agree with the majority whip—we do need to have the savings in Medicare Advantage, but the way you get that is through competitively bidding it while at the same time maintaining the requirements for the benefits that are offered. There is a big difference in those two. Ours ends up being pure savings to save Medicare. The savings in this bill are to create a new entitlement.

The other point I wish to make is, if you are a senior out there listening and if you are going to be subject to the new increase in Medicare tax, for the first time in history, we are going to take the Medicare tax and not use it for Medicare, we are going to use it for something else under this bill. This one-half of 1 percent is now going to be consumed in something outside of Medicare. So no longer do we have a Medicare tax for the Medicare trust fund. We have a Medicare tax that funds the Medicare trust fund plus other programs.

I say to my colleagues, I think we want a lot of the same things. How we go about it—the Senator from Montana recognized the fact that we are going to increase payments to primary care physicians. Ask yourself the question why only 1 in 50 doctors last year who graduated from medical school is going into primary care. Why do you think that is? Could it be that the government that is setting the payment rates created a maldistribution in remuneration to primary care physicians; therefore, they choose to go where they can make 200 percent more over their lifetime by spending 1 additional year in residency rather than doing primary care?

What this bill does, and what the Senator from Arizona is trying to do by sending this bill back, is to refocus it on the fact that Medicare money ought to be used for Medicare. If, in fact, we are going to slow the growth of Medicare, can we do that without cutting benefits? To slow the growth in this bill for 11 million Americans who now have Medicare Advantage will diminish their benefits. That is out of the \$120 billion that is going to come.

You cannot tell a senior who is in a rural area today, who is on the economic lower rungs of the ladder, who uses Medicare Advantage to equalize their care with somebody who can afford a Medicare supplemental policy, you cannot tell them this is not going to decrease their benefits and their care, because it is. And in the bill, it actually states that it is going to decrease their benefits.

Mr. MCCAIN. Will the Senator yield? Very briefly, the Senator from Montana talked about the support the bill gets. AARP makes more money from Medigap plans they sell to seniors. AARP should be opposing the bill, but other groups such as 60 Plus are educating seniors.

The AMA endorsement of the bill—shocking. The bill puts the government in charge, but AMA cut a deal to get their Medicare payments addressed by increasing the deficit by \$250 billion.

Mr. COBURN. Mr. President, will the Senator yield for a minute?

Mr. MCCAIN. PhRMA—my God, if there ever was an obscene alliance made that will harm seniors because it has the administration against drug reimportation from Canada and competition for treatment of Medicare patients.

So now we understand a little bit better why these special interest groups, 500-some of them, have visited the White House in recent months, according to White House logs.

Mr. COBURN. The Senator would probably be interested to know—and, I know, my colleagues on the other side—that the American Medical Association now represents less than 10 percent of the actively practicing physicians in this country. The physicians as a whole in this country are adamantly opposed to this bill. The reason they are opposed to this bill is because you are inserting the government between them and their patient. That is why they are opposed to this bill.

So you have the endorsement of the AMA which represents less than 10 percent of the practicing doctors—actively practicing doctors—in this country because not only will it increase payments, but CPT code revenue is protected. That is the revenue AMA gathers from the payment system that continues to be fostered in this bill, which is their main source of revenue.

Mr. MCCAIN. May I ask my colleague's indulgence for just a moment because, as you know, the majority leader seems to appear more and more frantic as he, perhaps, is reading the same polls we are that more and more Americans, when they figure out this legislation, are becoming more and more opposed to it.

Yesterday, the majority leader came out and directly addressed me, saying:

This man talks about earmarks, but his amendment is one big earmark to the insurance industry. And in addition to that, the sponsor of the amendment—

Talking about me—

during his Presidential campaign talked about cutting these moneys.

Mr. President, I hate, I say to my colleagues, to take a trip back down memory lane, but at the time—of course, this was echoed by a DNC spokesperson, who then echoed it throughout the blogosphere and left-wing liberal blogs. The fact is, on October 20, FactCheck.org says:

He accuses McCain of proposing to cut benefits. Not true.

This is from FactCheck.

In a TV ad and in speeches, Obama is making bogus claims that McCain plans to cut \$880 billion from Medicare spending and to reduce benefits.

A TV spot says—

A very well-funded campaign, I might add—

McCain's plan requires "cuts in benefits, eligibility, or both."

Obama said in a speech that McCain plans "cuts" that would force seniors to "pay more for your drugs, receive fewer services, and get lower quality care."

A second ad claims that McCain's plan would bring about a 22 percent cut in benefits.

FactCheck.org says:

These claims are false, and based on a single newspaper report that says no such thing. McCain's policy director states unequivocally that no benefit cuts are envisioned.

Mr. President, I ask unanimous consent to have printed in the RECORD the entire FactCheck.org article.

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

#### OBAMA'S FALSE MEDICARE CLAIM

##### SUMMARY

In a TV ad and in speeches, Obama is making bogus claims that McCain plans to cut \$880 billion from Medicare spending and to reduce benefits.

A TV spot says McCain's plan requires "cuts in benefits, eligibility or both."

Obama said in a speech that McCain plans "cuts" that would force seniors to "pay more for your drugs, receive fewer services, and get lower quality care."

Update, Oct. 21: A second Obama ad claims that McCain's plan would bring about a 22 percent cut in benefits, "higher premiums and co-pays," and more expensive prescription drugs.

These claims are false, and based on a single newspaper report that says no such thing. McCain's policy director states unequivocally that no benefit cuts are envisioned. McCain does propose substantial "savings" through such means as cutting fraud, increased use of information technology in medicine and better handling of expensive chronic diseases. Obama himself proposes some of the same cost-saving measures. We're skeptical that either candidate can deliver the savings they promise, but that's no basis for Obama to accuse McCain of planning huge benefit cuts and more expensive prescription drugs, and claims that both nursing home care and a patient's choice of doctor could be affected.

##### ANALYSIS

As the narrator says that McCain's plan "means a 22 percent cut in benefits," the ad displays a footnote citing an Oct. 6 Wall Street Journal story as its authority.

But, in fact, the Journal story makes no mention of any 22 percent reduction, or any reduction at all. To the contrary, the story's only mention of what might happen to benefits is a quote from McCain adviser Douglas Holtz-Eakin promising to maintain "the benefit package that has been promised." The story quotes him as saying "savings" would come from eliminating Medicare fraud and by reforming payment policies to lower the overall cost of care.

The fact is that McCain has never proposed to cut Medicare benefits, or Medicaid benefits either. Obama's claim is based on a false reading of a single Wall Street Journal story, amplified by a one-sided, partisan

analysis that piles speculation atop misinterpretation. The Journal story in turn was based on an interview with McCain adviser Holtz-Eakin. He said flatly in a conference call with reporters after the ad was released, "No service is being reduced. Every beneficiary will in the future receive exactly the benefits that they have been promised from the beginning."

#### TWISTING FACTS TO SCARE SENIORS

Here's how Democrats cooked up their bogus \$882 billion claim.

On Oct. 6, the Journal ran a story saying that McCain planned to pay for his health care plan "in part" through reduced Medicare and Medicaid spending, quoting Holtz-Eakin as its authority. The Journal characterizes these reductions as both "cuts" and "savings." Importantly, Holtz-Eakin did not say that any benefits would be cut, and the one direct quote from him in the article makes clear that he's talking about economies:

Wall Street Journal, Oct. 6: Mr. Holtz-Eakin said the Medicare and Medicaid changes would improve the programs and eliminate fraud, but he didn't detail where the cuts would come from. "It's about giving them the benefit package that has been promised to them by law at lower cost," he said.

Holtz-Eakin complains that the Journal story was "a terrible characterization" of McCain's intentions, but even so it clearly quoted him as saying McCain planned on "giving [Medicare and Medicaid beneficiaries] the benefit package that has been promised."

Nevertheless, a Democratic-leaning group quickly twisted his quotes into a report with a headline stating that the McCain plan "requires deep benefit and eligibility cuts in Medicare and Medicaid"—the opposite of what the Journal quoted Holtz-Eakin as saying. The report was issued by the Center for American Progress Action Fund, headed by John D. Podesta, former chief of staff to Democratic President Bill Clinton. The report's authors are a former Clinton administration official, a former aid to Democratic Sen. Bob Kerrey and a former aid to Democratic Sen. Barbara Mikulski.

The first sentence said—quite incorrectly—that McCain "disclosed this week that he would cut \$1.3 trillion from Medicare and Medicaid to pay for his health care plan." McCain said no such thing, and neither did Holtz-Eakin. The Journal reporter cited a \$1.3 trillion estimate of the amount McCain would need to produce, over 10 years, to make his health care plan "budget neutral," as he promises to do. The estimate comes not from McCain, but from the Urban-Brookings Tax Policy Center. McCain and Holtz-Eakin haven't disputed that figure, but they haven't endorsed it either.

Nevertheless, the report assumes McCain would divide \$1.3 trillion in "cuts" proportionately between the two programs, and comes up with this: "The McCain plan will cut \$882 billion from the Medicare program, roughly 13 percent of Medicare's projected spending over a 10-year period." And with such a cut, the report concludes, Medicare spending "will not keep pace with inflation and enrollment growth—thereby requiring cuts in benefits, eligibility, or both."

The Obama campaign began the Medicare assault with a 30-second TV ad released Oct. 17, which it said would run "across the country in key states."

ANNOUNCER. John McCain's health care plan . . . first we learned he's going to tax health care benefits to pay for part of it.

Now the Wall Street Journal reports John McCain would pay for the rest of his health care plan "with major reductions to Medicare and Medicaid."

Eight hundred and eighty-two billion from Medicare alone. "Requiring cuts in benefits, eligibility, or both."

John McCain . . . Taxing Health Benefits . . . Cutting Medicare. We Can't Afford John McCain.

OBAMA. I'm Barack Obama and I approved this message.

The ad quotes the Wall Street Journal as saying McCain would pay for his health care plan with "major reductions to Medicare and Medicaid," which the ad says would total \$882 billion from Medicare alone, "requiring cuts in benefits, eligibility, or both."

Obama elaborated on the theme Oct. 18 in a stump speech in St. Louis, Mo., claiming flatly that seniors would face major medical hardships under McCain:

Obama, Oct. 18: But it turns out, Senator McCain would pay for part of his plan by making drastic cuts in Medicare—\$882 billion worth. Under his plan, if you count on Medicare, you would have fewer places to get care, and less freedom to choose your doctors. You'll pay more for your drugs, receive fewer services, and get lower quality care.

Update, Oct. 21: A second and even more misleading Obama ad begins: "How will your golden years turn out?" It states flatly that McCain's plan would mean a 22 percent cut in benefits, higher premiums, higher co-pays, . . .

Mr. MCCAIN. Mr. President, I hope the Senator from Nevada will stop making false claims—repeating the false claims that were in attack ads on me throughout the campaign, funded by tens of millions of dollars, about my positions on health care in America which the fact checkers found to be totally false.

As the narrator says that McCain's plan "means a 22 percent cut in benefits," the ad displays a footnote citing an Oct. 6 Wall Street Journal story as its authority.

#### FactCheck:

But, in fact, the Journal story makes no mention of any 22 percent reduction, or any reduction at all.

I hope, among other things, in his, may I describe, frustration, that the Senate majority leader would at least not repeat false accusations about what I wanted to do in the Presidential campaign. It is unfortunate.

And I hope that maybe, instead of attacking David Broder, instead of attacking me, instead of attacking others who are in support of this amendment, maybe we could have a more meaningful discussion about the facts surrounding this legislation.

Mr. DODD. Mr. President, may I inquire how much time remains on both sides?

The PRESIDING OFFICER. Thirty seconds remains for the minority.

Mr. DODD. The minority has 30 seconds.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHANNES. Mr. President, I will speak very quickly, since we have 30 seconds.

Reality does set in. We have looked at the impact of these cuts on our nursing home beds in Nebraska. We have about 14,000 beds dedicated to Medicare. This will be a loss of \$663 per bed. That affects real people.

I thank the Chair.

The PRESIDING OFFICER. The minority's time has expired.

Mr. DODD. Mr. President, I yield 2 minutes of our time to the Senator from Nebraska.

Mr. JOHANNES. I thank the Senator. That is very kind of you, and I appreciate that.

Maybe it comes from my time as Governor, maybe it comes from my time as mayor, but somehow, some way, you have to live with the legislation that is passed, whether it is by the Federal Government, whether it is at the State level or whatever. You can bounce this back and forth all day, but the reality is these are real cuts and they involve real programs that involve real people in our States. You can describe them any way you want, you can call them excessive payments, you can do this, that, or the next thing. You can say: Well, we are giving this our best shot, but the difficulty is this is a high-risk venture. We will be impacting in my State, for example—and every Senator could stand up and give this same speech—but this will impact the most vulnerable population in our Nation—people who are in a nursing home and who are the Medicare beneficiaries.

As I said in my short statement, there are 14,061 nursing home beds across our State that are dedicated to Medicare patients. We are working overtime to try to understand what this legislation does to real people. The number we have come up with, working with our nursing home industry, is that if this legislation is passed, each bed is impacted by a loss of \$663.

I will sum up my comments by reading something that was sent to me by someone who works in the nursing home industry. Here is what this person says:

For the first time in my career, I am honestly questioning how much longer I can continue. To constantly be up against regulation and funding, when all you want to do is make a difference in someone's life, is exhausting.

This is a high-risk venture. This shouldn't be about taking our best shot, this should be about getting this legislation right.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me, if I can, address a couple of points. First of all, I made this point yesterday, but it deserves being made again because the suggestion somehow that this bill doesn't provide any benefits to anyone until the year 2014 is untrue. I could spend the next 40 minutes describing the various things our bill does immediately. Upon the enactment of this legislation, there are tax breaks immediately for small businesses to be able to reduce the cost of health care in a market where small businesses pay, on average, 18 percent more for health care premiums than other businesses do. As pointed out by the CBO, under our bill you are actually seeing premium cost reductions in the small

business market, as well as the individual market and the large-group market.

Right away our legislation closes a good part of that doughnut hole, which is an immediate benefit to the cost of prescription drugs for the elderly. That doesn't happen 4 or 5 years from now, but immediately.

We provide immediate screening and prevention services for Americans. As I mentioned earlier, that is not only the humane thing to do, it is also a great cost saver. If you can detect an early problem and deal with it, the cost savings are monumental, and we all know that.

Under our health care plans as Senators—where we get 23 different options every year to choose from—we have that benefit. I am a beneficiary of that benefit, having identified a health care problem early through screening. That was not only beneficial to me personally, because I am going to be alive for a longer period of time than otherwise, but it saved thousands of dollars in long-term medical costs that would have occurred if I had not identified the problem. Those are simple things that are included in our bill that happen immediately.

You can't be dropped by your health care carrier, as you are today. Today, you can be dropped for no cause—for no reason whatsoever. That is stopped immediately on the adoption of this legislation.

So when I heard my good friend from Arizona saying there are no benefits in this bill for 4 or 5 years, that is not true. And again, a simple reading of the legislation would identify any number—I have here a long list—of benefits that will happen immediately.

The issue Senator BAUCUS has raised over and over again is the issue of guaranteed benefits under Medicare. Guaranteed benefits. Let me challenge my colleagues to identify a single guaranteed benefit under Medicare that is cut by the bill before us. There is not a single benefit under the guaranteed program that is in any way disadvantaged or reduced as a result of this legislation. What is cut are private health care plans under the Medicare Advantage Program. The reason why we are doing this is Medicare Advantage overpayments cost every senior more money. A typical elderly couple pays \$90 more per year in Part B premiums to pay for the Medicare Advantage overpayments, even if they are not enrolled in these plans. That is \$90, on average, for every couple, and they get none of the benefits from it. Fully 78 percent of beneficiaries are forced to pay higher premiums for non-Medicare extra benefits they will never see.

Again, I understand some people would like to have these additional benefits. I understand that. They are not guaranteed Medicare benefits. These are benefits that are provided for under Medicare Advantage. But 78 percent of our elderly are paying higher premiums so a smaller percentage of

people can get those benefits. Why should 78 percent of the elderly in this country pay a higher premium for a smaller percentage of people under private health care plans?

What Senator BAUCUS and the Finance Committee tried to do is to reduce those costs. Those are not guaranteed Medicare benefits. There is no guaranteed Medicare benefit that is cut under this bill, and I defy any Member of this body to find one guaranteed benefit that is reduced under this plan.

Mr. BURR. Will the Senator yield for a question?

Mr. DODD. I will be happy to yield to my friend.

Mr. BURR. I would ask the distinguished Senator from Connecticut if we empower the independent Medicare advisory board to come up with \$23.4 billion in cuts under Medicare? Can the Senator from Connecticut assure me that the independent Medicare advisory board would not find a benefit that they would suggest cutting?

Mr. DODD. Absolutely. That is not allowed under this. You cannot cut guaranteed benefits. Going back and looking at providers—

Mr. BURR. If the Senator will yield for an additional question: Is this board empowered to find \$23.4 billion worth of cuts?

Mr. DODD. Not under guaranteed benefits. That is very clear.

Mr. BURR. Will the Senator show me that language?

Mr. DODD. The board is prohibited, forbidden, from proposing changes that would take benefits away from seniors or increase their costs. The board cannot ration care, raise taxes on Part B premiums, or change Medicare benefits eligibility or cost-sharing standards.

It couldn't be more clear. They are absolutely prohibited from doing that. And that is the point we have been trying to make here. Frankly, as we know, there are hospitals that will tell you themselves, in many cases, as a provider, there are cost savings there. I am told—and again my colleagues know more about these details than I do—that it is not uncommon for an elderly person to leave a hospital and, on average, be given four prescription drugs to take. I am told as well that within a month or so that elderly person is not following their prescriptions very well—either they live alone, or for one reason or another they do not follow their prescriptions—and they end up being readmitted. There is a very high readmission rate in hospitals, thus raising the cost for hospitalization.

Our bill makes significant efforts to try to reduce the problem of hospital readmissions, which, again, raises costs tremendously. That is where the savings are coming from here, by taking steps to try and reduce the readmission rate to the hospitals. That is a cost savings that is not denying a benefit to the elderly. It is trying to save money and save lives. That is what we are trying to achieve here.

But, again, I challenge any Member to come up and identify a single guaranteed benefit under Medicare that is cut in this bill. There are none. And 78 percent of our elderly should not be required to pay additional premiums to take care of a handful of other people out there. I understand why they want some of these benefits, and they shouldn't be denied them, if they want to pay for them, but don't charge the other Medicare beneficiaries for the benefit they never get.

Mr. DURBIN. Will the Senator yield for a question?

Mr. DODD. I would be happy to yield to my colleague.

Mr. DURBIN. It is interesting to me that under the McCain amendment, the first line in the amendment—the motion to commit—relates to Medicare Advantage. I used to work for an old fellow in Illinois politics named Cecil Partee, and Cecil said: For every issue in politics, there is a good reason and a real reason. We hear a lot of good reasons on the floor for this McCain amendment and the future of Medicare. The real reason is on the first line of Senator MCCAIN's motion to commit. He says: Send this back to committee and don't touch Medicare Advantage.

I want to ask the Senator from Connecticut about Medicare Advantage, because some of the things I have read around the country about Medicare Advantage tell me this plan, run by private health insurance companies, costs more than basic Medicare. These companies promised us, when they got involved, they would show us how to run a health insurance plan. They would show us how to provide Medicare benefits and they would save us money. Some have. But by and large, if I am not mistaken, isn't the verdict in—a 14-percent increase in cost for Medicare benefits under this Medicare Advantage?

Mr. DODD. My colleague from Illinois is absolutely correct, it is 14 percent. In some States it is 50 percent more.

Mr. DURBIN. When we talk about saving over \$100 billion in the Medicare Program over the 10 years, part of it is by saying to those private health insurance companies that are overcharging Medicare recipients, the party is over. The subsidy is over. We are going to make sure that every American who qualifies for Medicare gets the basic benefits, but we will not allow these private health insurance companies to get a subsidy from the Federal Government at the expense of Medicare and its recipients.

Mr. DODD. And then charging the other 78 percent of Medicare recipients to raise their premiums. That is the outrage of all this.

Mr. DURBIN. So the motive behind the McCain amendment is less about saving Medicare and more about saving a private health insurance program called Medicare Advantage.

Mr. DODD. And talk about misbranding, calling something Medicare

Advantage. It is neither Medicare nor an advantage. Quite the opposite, in fact.

You are accurate in your numbers, by the way, because I want people to know, as much as we respect the Senator from Illinois and his math, the numbers he identifies of \$100 billion this program is costing us, comes from the Congressional Budget Office. We didn't make up these numbers. That is the cost savings by modifying Medicare Advantage that has cost us so much and deprived the overwhelming majority of our elderly the benefits they end up paying for. So I appreciate very much the Senator's question.

Mr. BAUCUS. If the Senator will yield for another question, might I ask my friend if it isn't also true that in the June MedPAC report it states that Medicare Advantage overpayments cost taxpayers an extra \$12 billion?

Mr. DODD. That is correct. And again, that is MedPAC.

Mr. BAUCUS. Well, that is right, that is MedPAC. I think the point the Senator from Illinois is making needs to be underlined two or three or four times here—and the Senator from Connecticut has made it too—and that is there is a huge distinction between Medicare and these private insurance plans.

Mr. DODD. I think too many of our fellow citizens hear the word Medicare Advantage and assume that is the Medicare Program, and it is not.

Mr. BAUCUS. It is not. It is a private plan.

What Medicare Advantage is overpaid—that is what these insurance companies are overpaid, and a lot of that goes back to the Part D drug bill and so forth—do those overpayments necessarily mean better benefits for persons who signed up for those plans?

Mr. DODD. No. In fact, there is no evidence that overpayments to plans leads to better health care. That is again according to MedPAC.

Mr. BAUCUS. If that is true, why might that be the case, just so people understand?

Mr. DODD. Because insurers, not seniors or the Medicare Program, determine how these overpayments are used. And too often they are used to line the pockets of insurers, to increase their profits and not to provide benefits.

Mr. BAUCUS. Does Medicare decide what the benefits will be for those folks?

Mr. DODD. No, it is the private carriers that decide that.

Mr. BAUCUS. The private insurance carriers.

Mr. DODD. Yes, they are the ones that set the rates and determine where the profits go. That is why it is such a misnomer to call this Medicare Advantage, because it is neither Medicare nor an advantage.

The PRESIDING OFFICER. The time has expired.

Mr. DODD. Mr. President, I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Is there objection?

Mr. COBURN. Reserving the right to object, I will ask for 2 additional minutes for my side.

Mr. DODD. Well, I gave 2 minutes to my friends earlier.

Mr. COBURN. How about 1?

Mr. DODD. OK, 1. Well, make that 2. If he wants 2 additional minutes, I have no problem giving my colleague 2 additional minutes.

Mr. BAUCUS. You already said it, but I think it is worth repeating—

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. BAUCUS. Most seniors, as they pay Part B premiums under fee for service, don't get any benefit whatsoever?

Mr. DODD. That is correct. None whatsoever. In fact, all they do get is higher premiums.

Mr. BAUCUS. That is right. Higher premiums.

Mr. DODD. Higher premiums. And 78 percent, almost 80 percent are paying more for a program from which they never get any benefit.

Mr. BAUCUS. The figure I saw—I guess it is \$90 a year they pay extra and get no benefit from it.

Mr. DODD. So vote for the McCain amendment and you do exactly what Senator DURBIN is suggesting: Preserve Medicare Advantage, and under Medicare Advantage 78 percent of our elderly pay more premiums, never get any benefits, and the private carriers get to pocket the difference. That is a great vote around here. That is great health care reform.

Mr. DURBIN. I say to the Senator from Connecticut, could we characterize this as an earmark in the Medicare Advantage Program?

Mr. DODD. It is two ears, not even one ear. I give it two ears.

Mr. BROWN. I say to Senator DODD, we remember 10 years ago when the insurance companies came to the government and said we can do something that later became Medicare Advantage, and we can do it less expensively. They said we can do it for 5 percent less than the cost of Medicare and the government unfortunately made the agreement with them to sign up to do that. Then what happened in the last 10 years is, the insurance lobbyists came here and lobbied the Bush administration and lobbied the Congress and got bigger payments. It is a subsidy for the insurance companies, but you and Senator BAUCUS and Senator DURBIN said it is not Medicare, it is private insurance, privatized form of Medicare that serves the insurance companies very well, is that correct, but doesn't serve the seniors in this country?

Mr. DODD. I will sit here all day waiting for someone to identify a single benefit guaranteed under the Medicare Program that is cut in our bill. They are all talking about Medicare Advantage, not Medicare. There are no guaranteed benefits cut under this bill nor can those benefits be cut. Our legislation bans and prohibits any cuts in guaranteed benefits.

The PRESIDING OFFICER (Mr. CASEY). The Senator from Oklahoma is recognized.

Mr. COBURN. One of the questions and one of the promises was: If you have what you have now and you like it, you can keep it. What is happening under this bill for 11 million seniors on Medicare Advantage, that is not going to happen. If they like it, they are not going to be able to keep what they have. You can't deny that. That is the truth.

Medicare Advantage needs to be reformed. There is no question about it. I agree. As the Senator alluded to, in the Patients Choice Act we actually save \$160 billion in the Patients' Choice Act, but we don't diminish any of the benefits, and we do that because CMS failed to competitively bid it, because when it was written—and I understand who wrote it—when it was written we didn't make them competitively bid it. You could get the same savings, actually get more savings and not reduce benefits in any amount, if you competitively bid that product. But we have decided we are not going to do that.

The second point I make with my colleagues is the vast majority of people on Medicare Advantage are on the lower bottom economically. They can't afford an AARP supplemental bill. They can't afford to pay an extra \$150 or \$200 a month. So what happens most of the time with Medicare Advantage is we bring people up to what everybody else in Medicare gets because most people can afford—84 percent of the people in this country can afford to buy a Medicare supplemental policy because Medicare doesn't cover everything.

Your idea to try to save money, I agree with. But cutting the benefits I do not agree with. You are right, Senator DODD, the basic guaranteed benefits have to be supplied to Medicare Advantage and then the things above that which you get from the supplemental policy, what you can afford to buy, is what these people get. And what you are taking away from poorest of our elderly is the ability to have the same care that people get who can afford to buy a supplemental policy. That is the difference.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COBURN. I appreciate my chairman for his courtesy in yielding the time.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 12:30 p.m.

Thereupon, the Senate, at 11:35 a.m., recessed until 12:30 p.m. and reassembled when called to order by the Presiding Officer (Mrs. HAGAN).

#### SERVICE MEMBERS HOME OWNERSHIP TAX ACT OF 2009—Continued

The PRESIDING OFFICER. The Senator from Iowa.