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

Mrs. HUTCHISON. I thank the Acting President pro tempore.

HEALTH CARE REFORM

Mrs. HUTCHISON. Mr. President, I think the Republican leader just stated the case for why it is so important that we have the votes and that we go back to the drawing board on this bill. Americans are looking at the fine print of this bill. They are seeing $½ trillion in taxes.

Just this week, the President has had a jobs summit because we are all concerned about jobs. My goodness, since the President took the oath of office, more than 3.5 million Americans have lost their jobs—300,000 Texans—our budget has tripled to $1.4 trillion, and the Federal debt as a portion of the U.S. economy has risen to its highest level since World War II. So we are very concerned about these taxes. In fact, the small businesses of our country have said: No, do not do this to us.

The NFIB, which is the National Federation of Independent Business, sent a letter just this week saying:

When evaluating healthcare reform options, small business owners ask themselves two specific questions. First, will the bill lower insurance costs? Second, will the bill increase the overall cost of doing business?

Well, the answer to the first question is clearly no because the business taxes start on January 1, 2010—3 weeks or so from now—and going forward, the mandates and taxes in 2014 to small business are egregious. It could be $750 per employee or it could be $3,000 per employee if you do not have exactly the right mix of health care coverage for your employees. Well, at $3,000 per employee, small businesses are telling me: I am out of here. We are just going to let people go to the government option because we cannot afford that.

So the answer to question No. 2 in the NFIB letter—which is, ''Will the bill increase the overall cost of doing business?''—is, well, of course it will, at a time when we are seeing the numbers of people employed go down.

We are in a financial crisis in this country. People are jobless. We are in a holiday season. People are very stressed, and here we have a health care bill being rushed through, without amendments being able to come forward with a real chance for passing them. The cost of business is going to go up, which means more people are going to be laid off.

Now, I want to ask my friend, the Senator from South Dakota, a question because he and I are teaming up on an amendment. If we are going to have taxes increase in 3 weeks, you would say: Oh, OK, well taxes are going to start in 3 weeks, so, then, where is the package I signed up for that is going to lower my health care costs? So I would ask the Senator from South Dakota, when do the programs that are supposed to lower health care costs take effect?

Mr. THUNE. I would say to my friend from Texas, Senator HUTCHISON, that as we have examined this legislation and have looked at its cost and its benefits and how that is distributed over time, it has become clear that what the other side has tried to do—the Democrats have tried to do—with this bill is understate its true cost by front-loading the tax increases and back-loading the spending. In other words, the tax increases kick in right away, when much of the benefit of the bill does not kick in for several years.

So I want to point something out, just to illustrate what the Senator from Texas has said; that is, the tax increases in the bill begin on January 1 of this year. So 21 days from now, Americans, individuals, families, and small businesses are going to see their taxes go up. Unfortunately, they are not going to see any benefit come until 1,482 days later.

What that, in effect, does is it understates the total cost of this legislation. They have said: We want to get this under $1 trillion. The President said: I need a bill under $1 trillion. So they have tried to come up with a bill that is about $1 trillion. But what they do not tell you is that by delaying the benefits and front-loading the tax increases, you are actually going to have a 4- or 5-year period where people are having to experience tax increases. That is going to impact the small businesses because you have a Medicare payroll tax increase, which, by the way, for the first time, will not be used for Medicare but will be used to create a whole new entitlement health care program.

You have an employer mandate which is going to hit small businesses. You have the tax on medical device manufacturers, on prescription drugs, on health plans. You have all these taxes that kick in right away.

So what happens? These taxes get passed on to the consumers in this country in the form of higher premiums, so people are going to see their premiums go up. Small businesses are going to see their taxes go up immediately—well, 21 days from now. But Americans are not going to see any benefit from this for 1,482 days. So what we have is a gimmick that has been used to disguise the total cost of this bill, which we all know when fully implemented is not $1 trillion but $2.5 trillion.

So the Senator from Texas and I have a motion, which I believe is supported by the Senator from Wyoming, who is in the Chamber, that would delay the tax increases until such time as the benefits begin so we synchronize or align the tax increases and the fees to begin at the same time the benefits do so we will reflect the true cost of this legislation to the American people and not unfairly begin punishing small businesses by raising their taxes before a single dollar of benefit is going to be distributed to the American people.

Mrs. HUTCHISON. So I would ask the Senator from South Dakota—because it is our amendment, the Hutchison-Thune amendment—and surely the American people, who would look at the debate, would say: We are missing something. This cannot be right. We can't have taxes that are increasing our premiums, increasing our prescription drug costs, increasing our medical devices we must have for our health care for 4 years. Did he say that right? Did he say we would be paying those higher costs for 4 years before there is any option available to allow more people to have health care coverage?

Mr. THUNE. I would say to my friend from Texas, it is kind of the same old Washington game, the same old Washington gimmick, the same old backroom deal that has been cut basically that, of course, we have had no input into. Incidentally, there is another now, the latest permutation of this discussion, going on right now behind closed doors, which is the Medicare expansion, which is a subject for a whole other day.

But I think the American people are looking at this and saying: How does this impact me? More than anything else, they are watching this big debate in Washington, DC, and saying: How does this impact me? I think what they are concluding is that 90 percent of the American public, according to the Congressional Budget Office, would see their premiums stay the same at best or at worst go up, and when I say ''stay the same,'' that means double the rate of inflation annual increases in their health insurance premiums.

So the best you can hope for, if you are an American today, is the status quo when it comes to your health insurance premiums.

If you buy in the individual marketplace, your premiums are going to go up 10 to 13 percent above the annual, double the rate of inflation increases that we are currently seeing.

So that is what happens to the American public, the average person out there, in terms of their health insurance premiums. If you are a small business, you are looking at tax increases. You are looking at a whole new raft of tax increases that you are going to end up having to pay, which is why all of the small business organizations—the Senator from Texas pointed out the letter from the National Federation of Independent Business, which says this is going to drive the cost of doing business up. This is going to increase the cost of health care, not lower it. What they want to see in reform—small businesses that are the economic engine that creates jobs in this economy—is they want to see health care reforms put in place that drive health care costs down.

We know from every estimate that has been done, such as from the Congressional Budget Office—we have some data now from the CMS actuary that just came out yesterday that says overall health care expenditures are

going to go up, health insurance premiums are going to go up. So small businesses are looking at higher taxes.

If you are a senior citizen in America, and one of the 11 million people who get Medicare Advantage, your benefits are going to be cut. So you have higher premiums, increased taxes on small businesses, Medicare benefit cuts to senior citizens across this country, and cuts to providers, and if you are a young American, you are faced with a $2.5 trillion new entitlement program that you are going to have to pay for.

That is what the American people, as they are observing this debate, can expect to come out of this, if the bill that has been proposed by the majority is enacted. That is why we are working so hard to defeat that and put in place some commonsense reforms that actually make sense to the American people.

I know the Senator from Wyoming, who is a physician, knows full well the impact of many of these policies from being on the front line. He is someone who has had to deliver health care services in a rural State. So I would ask him to give us his thoughts about what these tax increases and Medicare cuts are going to mean to health care delivery in places such as Wyoming.

Mr. BARRASSO. I thank my colleague from South Dakota because South Dakota and Wyoming are very similar in many ways. Both have rural areas all spread across the State, with people needing health care.

And I have seen it. I have seen the concerns from people, but also from small businesses. My colleagues mentioned the National Federation of Independent Business. A lot of businesses in Wyoming are members of that organization, and rightfully so, because small business is the engine that drives the economy. They are the job creators in this country.

I see these taxes—4 years of taxes—before the first health care services are given as going to hurt our small businesses in Wyoming. It is going to hurt small businesses all around the country.

In one of the morning papers, it talks about the plans that are being presented by the Democrats, with all the increases in health costs—the fines, the taxes, that this will cost 1.6 million jobs before the first health care services are given in 2013—1.6 million jobs across the country. That affects all of our States.

At a time when unemployment is at 10 percent, at a time when Investor's Business Daily, this morning, says: ''Job Cuts Hit Hardest on Low-Skill Men; Outlook Is Gloomy,'' at a time when we are looking at an outlook which they call in the headlines of the front page of their paper ''gloomy,'' why would we say: Lets increase taxes on Americans, and then cut Medicare from our seniors who depend upon Medicare, and lets not improve services for 4 more years?

It is no surprise then that the Republican leader would come to the floor and say we have now reached an all-time high of American people opposed, completely opposed, to this piece of legislation. The Republican leader read a poll that said 61 percent of Americans now oppose this bill. Well, it is because they are learning more about it. The more people of America see what is in this bill, the more they realize they cannot believe any of the promises that were made by the Democrats, by the administration, the promises that were made, and the polling shows it.

Two specific questions that were asked in the poll were two specific promises that the President made. One is, he said he will not sign a bill if it adds one dime to the deficit. OK. We do not want to add to the deficit, although the Democrats want us to vote this weekend on raising the debt level by well over $1 trillion. And why? Because they cannot control the spending. But the question was, do you think the Federal budget deficit would or would not increase if this bill is passed—when the President said it will not raise it by a dime?

Mr. President, 79 percent of Americans said this is going to increase the deficit. Only 19 percent believe what the President is telling the American people.

Then the question of taxes. The President said: My plan will not raise your taxes one penny. What do the American people think when the President speaks? Question: Do you think your taxes would or would not increase? This is the CNN poll the Republican leader just talked about, done earlier this month: Do you think your taxes would or would not increase? The number of people who believe their taxes will increase if this passes, 85 percent. Eighty-five percent of the American people believe they are not getting it straight from the President of the United States. Only 14 percent believe him when he says he will not raise taxes a penny.

So we have the Democrats bringing forth a bill—to me, as a practicing physician in Wyoming, taking care of families in Wyoming, talking to doctors, talking to patients, having townhall meetings in the State, having telephone townhall meetings, the Democrats bring forth a bill that the people of Wyoming and the people of America realize is going to cost them more, is going to add to the deficit, and hurt the health care they receive.

Eighty-five percent of Americans are happy with the health care they receive. They do not like the cost. They do not like the price. But this bill we are looking at is going to raise premiums for people who have insurance. The President promised that for families all across America, their premiums would drop by $2,500 per family. But if you go out there trying to buy insurance, if this bill passes, you are going to end up paying $2,100 more than you would otherwise if nothing passes. That is why the majority of Americans say we would be better off if nothing passed. That is what the American people say. The Democrats seem to be ignoring the voice of the American people. At a time of 10 percent unemployment, at a time when the National Federation of Independent Business points out that we will lose over a million more jobs if this passes, we should be looking at ways to help small businesses hire more workers, hire more people.

The small businesses continue to be the engines that drive up the economy. Senator COLLINS from Maine was on the floor and gave an explanation of some of the taxes on all of the small businesses in Maine. If you have 10 employees and you go to an 11th employee, if this bill passes, that small business gets penalized for growing their business.

We want to have an opportunity to hire people.

She also explained that if we actually try to work ways through small businesses to give raises to people, those businesses get penalized from a tax standpoint.

As I look at this health care bill, we need health care reform that is going to bring down the cost of care. This bill is going to raise the cost of care for all Americans. It is going to hurt our seniors by taking almost $500 billion out of Medicare, a program on which the seniors depend. It is going to raise $500 billion in taxes which is going to hurt the engine that drives the economy. It is going to hurt small business. It is going to cause people to lose their jobs. I think it is foolish for people to continue to support this bill. It makes no sense.

I listened to my colleague from South Dakota who showed the chart that says 21 days until the tax increases begin but almost 4 years until the benefits begin. What do the people in South Dakota have to say about this?

Mr. THUNE. Let me, if I might, enter into a discussion with the Senator from Wyoming because, as he said, his State and my State are not unlike in terms of the composition of population. We have big geographies in Wyoming and in South Dakota and in the West and a lot of rural health care delivery. The primary job creator in places such as Wyoming and South Dakota is small business. Small businesses are the economic engine that creates jobs.

As the Senator from Wyoming mentioned, according to many of the analyses that have been done of this legislation, it would be a job killer. It has been suggested by the National Federation of Independent Business that 1.6 million jobs would be lost.

What is ironic about that is I have heard our colleagues on the other side repeatedly say this is going to be great for jobs. This is going to be good for the economy. If that is true, then why are all of these business organizations coming out and saying it would increase the cost of doing business and it would increase health care costs? We

have that now validated by the Congressional Budget Office, by the CMS Chief Actuary at Health and Human Services saying overall health care costs under this legislation are going to go up, not down, both as a percentage of the gross domestic product as well as for individuals who are going to see it in the form of higher health insurance premiums.

I say to my friend from Wyoming, because he and I represent similar constituencies and the economies are similar, although he has—we wish we had more oil and gas in South Dakota along the lines of what they have in Wyoming—but the small business sector is what creates jobs.

He mentioned the National Federation of Independent Business. I wish to mention one other letter we received from an organization called the Small Business Coalition for Affordable Health Care. In it they state that these reforms fall short of long-term, meaningful relief for small business. Any potential savings from these reforms are more than outweighed by the new taxes, new mandates, and expensive new government programs included in the bill. This is signed by 50 small business organizations, one of which, by the way, is the American Farm Bureau Association, which is a big presence in my State, represents a lot of farmers and ranchers, small business people, and I am sure represents a lot of members in the State of Wyoming as well as in the State of Texas.

I think what they are saying is, what all of these business groups are saying, and that is we don't find anything in this—there may be some good things in it, but we find the overall core elements of this bill to be a detriment to job creation, will kill jobs, and will drive up the cost of doing business in this country.

It is hard for me to believe that some of the statements made by the other side—and I assume they are making them with the greatest sincerity, but they are factually wrong. If they weren't, we wouldn't have every business organization in this country coming out and saying we are opposed to this because it is going to increase the cost of doing business, it is going to kill jobs, and it is going to increase the cost of health care.

So to our colleague from Texas I would say I suspect she has a lot of small businesses in her State, not unlike Wyoming and South Dakota, that share that view.

Mrs. HUTCHISON. Mr. President, I am glad you mentioned the Farm Bureau because my constituents in the Farm Bureau, 400,000 members of the Texas Farm Bureau, have contacted me repeatedly about how bad this will be for the farmers, the small businesses they own, and the few people they employ. Maybe they have five employees. This will be a killer for them.

To reinforce the letter that the Senator from South Dakota read from the Small Business Coalition for Affordable Health Care, they say in the letter:

If this bill is enacted, the small business community will be forced to divert resources away from hiring and expansion, the very investments our country so desperately needs as it continues to struggle in a faltering economy with double-digit unemployment.

Then they go on to talk about what those costs are going to be: a small business health insurance tax; an employer mandate that encourages job cuts, not job creation; and the temporary small business tax credit falls short.

I am glad they mentioned this temporary small business tax credit because I have heard them say on the other side of the aisle: But there is a tax credit for small business that will alleviate the pain.

Well, that credit is for employers with fewer than 25 employees with average annual wages of less than $40,000. Very few small businesses are going to be able to qualify for this tax credit. That is a very strict standard. The average annual wages of less than $40,000 are going to be very difficult. However, if they qualify, the credit is temporary. The credit is temporary. It is not a permanent credit that helps people who would be able to qualify for this credit. So, in effect, this is not a tax credit at all, and certainly when it goes away it will help no one.

I ask unanimous consent to have printed in the RECORD the letter from the Small Business Coalition for Affordable Healthcare.

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

DECEMBER 10, 2009.

DEAR REPRESENTATIVE: Representing the country's largest, oldest and most respected small business associations who have spent more than a decade working to increase access and affordability of private health insurance, the Small Business Coalition for Affordable Healthcare is writing to express our opposition to the Patient Protection and Affordable Care Act (H.R. 3590).

Small business has been a constructive participant in the current healthcare debate. Our small business and self-employed entrepreneurs have been clear about what they need and want: lower costs, more choices and greater competition for private insurance. These reforms are critical, but to be workable and sustainable, they must be balanced against the overall cost of doing business. Unfortunately, with its new taxes, mandates, growth in government programs and overall price tag, the Patient Protection and Affordable Care Act costs too much and delivers too little.

While a few of the provisions in the bill reflect some of the insurance market reforms that the small business and self-employed communities have long sought, those reforms fall short of long-term meaningful relief for small business. Any potential savings from those reforms are more than outweighed by the new taxes, new mandates and expensive new government programs included in the bill. Those new costs of doing business are also disproportionately targeted at small business. If this bill is enacted, the small business community will be forced to divert resources away from hiring and expansion—the very investments our country so desperately needs as it continues to struggle in a faltering economy with double-digit unemployment. Those new costs include:

A small business health insurance tax

Though small business has repeatedly called for reducing the cost of health insurance, the Senate bill includes a devastating new $6.7 billion annual tax ($60.7 billion over ten years) that will fall almost exclusively on small business and the self-employed because they purchase in the fully-insured market. While the fee is levied on the insurance company, a recent CBO report confirms the small business insurance tax ''would be largely passed through to consumers in the form of higher premiums for private coverage.'' This will send costs upward—the opposite of what the nation's small employers need.

An employer mandate that encourages job cuts, not job creation

The only certainty of an employer mandate is that it punishes both the employer and employee. The employer bears the first blow in trying to afford the new unfunded mandate and the second blow is borne by the employee in the form of lower wages and job loss. The mandate in H.R. 3590 devastates the small business community in two ways. First, since the bill does little to make insurance more affordable and the tax credit is so limited, few will be able to obtain affordable insurance. Second, the penalties assessed on firms—both offering and non-offering—will most certainly result in a reduction of full-time workers to part-time workers and discourage the hiring of those entrants into the workforce who might qualify for a government subsidy. Overall, the mandate included in this legislation is especially troubling because it fails to recognize how the cost of health benefits directly impacts wages of the employee. Instead, H.R. 3590 blames the employer for a cost (health insurance) that is beyond their control.

The temporary small business tax credit falls short

A short-term tax credit only puts off the inevitable—increased cost in future years. The effectiveness of the tax credit in H.R. 3590 is limited: the full value of the credit is only available to those with wages of less than $20,000 and phases out at $40,000. While the credit is designed to offset the cost of insurance, its ''savings'' potential is merely temporary since it only applies if you buy insurance in the exchange and it expires after just two years.

Health insurance exchange plans lack affordable choices

Small business has long sought a simpler and more efficient way to shop for insurance. H.R. 3590 creates a framework for exchanges that can help ease administrative and overhead costs. However, those savings are quickly erased if the exchange plans are more expensive than what small employers can afford. A recent CBO analysis of premiums under H.R. 3590 paints a disheartening picture: small group premiums, at best, would decrease by about 2 percent and could increase 1 percent. The impact on non-group premiums is even more devastating, as they are expected to increase an average of 10–13 percent per person. Those estimates, in addition to the financing provisions included in the bill, slam the 'savings' door shut. Steps must be taken to ensure that a greater variety of more affordable plans are available to small employers and their employees.

Limited value of Simple cafeteria plans

The inclusion of Simple cafeteria plans in H.R. 3590 has the potential to bring about a new option for small employers seeking to offer coverage in an employer-sponsored setting. The bill, however, currently lacks language to permit owners of many ''pass-

through'' business entities to participate in cafeteria plans. Unless owners can participate in the plan, they will be less likely to provide insurance to their workforce.

Insurance rating reforms that result in ''rate shock''

Employers in the small group and non-group market have long lived with the fear that a single illness could either price them out of affordable insurance or that they could be rejected for coverage altogether. While H.R. 3590 attempts to ensure that insurance will be more widely available to all, the restrictive rating (3:1 on age) and lack of a phase-in for existing plans threatens to undermine the viability of both plans that people own today or plans that they will buy in the future through the exchange. Only balanced rating reforms that are phased-in over an appropriate timeframe have the potential to transform these poorly functioning insurance markets.

New paperwork burdens and costs for small businesses

The Patient Protection and Affordable Care Act imposes a new tax-compliance paperwork burden on small businesses. The ''corporate reporting'' provision is an expansion of reporting requirements (for transactions of more than $600), which adds another $17 billion to the cost of doing business for small business.

A waiting period that lacks flexibility

Small employers, including those who employ full-time, part-time, temporary and seasonal workers, face much higher turnover rates than their large business counterparts. They face significant challenges related to providing healthcare benefits to their workforces. The Patient Protection and Affordable Care Act presents two specific problems. First, it defines a full-time employee as working an average workweek of 30 hours. Second, it outlines a 90-day waiting period, but then implements fines (at the 30–60-day and the 60–90-day timeframe) of $400 and $600 per affected worker respectively. In industries with above average turnover (e.g. the restaurant industry has roughly a 75 percent turnover rate annually) these provisions would lead to fewer full-time workers and less hiring overall.

Employers and employees lose flexibility and choice

Small employers need more affordable health insurance options. However, the prohibition of HSA, FSA and HRA funds to purchase over-the-counter medications, along with the $2,500 limit on FSA contributions, diminishes flexibility and threatens to further limit the ever-shrinking options employers have to provide meaningful healthcare to their employees.

An unprecedented increase in the Medicare payroll tax

Since its creation the payroll taxes dedicated to Medicare programs have been dedicated specifically to funding Medicare. However, the Patient Protection and Affordable Care Act changes the purpose of the tax while setting the precedent to use payroll taxes to pay for other non-Medicare programs. Furthermore, it will raise taxes for some small businesses.

No meaningful liability reform

Our medical liability litigation system creates a disincentive for affordability and efficiency while creating a climate where the practice of defensive medicine increases healthcare spending, and overall costs. Those increased costs extract a particularly heavy toll on the ability of small business to access affordable healthcare for their employees and dependents. Meaningful liability reform will inject more fairness into the medical malpractice legal system, and reduce unnecessary litigation and legal costs.

A public option that threatens choice and competition

A government-run plan cannot compete fairly with the private market and threatens to destroy the marketplace, further limiting choices. We believe that, with proper reforms, the private market can be held accountable and provide greater competition and lower-cost solutions where insurers compete based on their ability to manage, rather than shed risk.

While our nation's entrepreneurs in the small business and self-employed communities strongly believe that the status quo is unsustainable, the measure of success is not simply to produce reform legislation. As some in the media have recently emphasized, the choice is not between the status quo and the bills we have seen emerge from this process. The choice is between flawed legislation and workable alternatives. In short, the legislation must improve the status quo. H.R. 3590 fails to provide those much-needed improvements, and instead makes things worse than they are today. We greatly hope that the Senate will refocus its energy and work with small business to develop the common-sense solutions that make our core needs a top priority.

Sincerely,

Aeronautical Repair Station Association; American Bakers Association; American Farm Bureau Federation®; American Hotel & Lodging Association; American International Automobile Dealers Association; American Rental Association; AMT—The Association For Manufacturing Technology; Associated Builders and Contractors, Inc.; Associated Equipment Distributors; Associated General Contractors of America.

Association For Manufacturing Technology; Association of Ship Brokers & Agents; Automotive Aftermarket Industry Association; Automotive Recyclers Association; Commercial Photographers International; Electronic Security Association; Independent Electrical Contractors; Independent Office Products & Furniture Dealers Alliance; International Foodservice Distributors Association; International Franchise Association.

International Housewares Association; International Sleep Products Association; National Association of Convenience Stores (NACS); National Association of Home Builders; National Association of Manufacturers; National Association of Mortgage Brokers; National Association of Wholesaler-Distributors; National Automobile Dealers Association; National Club Association; National Federation of Independent Business.

National Lumber Building Material Dealers Association (NLBMDA); National Retail Federation; National Retail Lumber Association; National Roofing Contractors Association; National Tooling and Machining Association; National Utility Contractors Association; Northeastern Retail Lumber Association; Precision Machined Products Association; Precision Metalforming Association; Printing Industries of America.

Professional Photographers of America; Self-Insurance Institute of America (SIIA); Service Station Dealers of America and Allied Trades; Small Business & Entrepreneurship Council; Society of American Florists; Society of Sport and Event Photographers; Stock Artist Alliance; The PGA of America; Tire Industry Association; U.S. Chamber of Commerce.

Mrs. HUTCHISON. Mr. President, I am from a State that has big cities, but the vast majority of my State is rural, as is Wyoming and as is South Dakota. I see my employers, my small business owners, which are the largest bulk of the employers in my State, every day. I talk to them or I see them. Unfortunately, we are in Washington every day right now, 7 days a week, but when I am home I see them and when I am here and talking to them on the phone, or they are visiting me, I talk to them and they are aghast. They are aghast that Congress would actually be putting more strain on small business at a time when we know the jobless rate is the highest since World War II and people are trying to do their part to increase our economy and they can't do it with more taxes, more mandates, more burdens. So it is time we look at the tax burden and do something about it.

The Senator from South Dakota and I are trying to do something about it. We are saying, at the very least we should not allow this bill to go forward when the taxes start next month—January 2010—because none of the programming gets up and running until 2014. So we are going to have the mandates and the business taxes and we are going to have the program that is supposed to alleviate the health care crisis in our country in 2014. Shouldn't we start all of the taxes in 2014 rather than asking people to pay for 4 years the taxes that will increase insurance premiums, increase prescription drug costs, and increase medical equipment costs—$100 billion in new taxes on those items—shouldn't we at least put it off until the supposed program comes into place. Because in 4 years, with any luck in America, we won't have these programs start.

There is hope for America that we can stop this program by 2014 as people learn what is in it and protest enough that the Members of Congress who are elected in 2010, elected in 2012, will say: No, we now know that this would be a disaster for our country. There is hope.

I would ask the Senator from Wyoming, when people start learning about the Medicare cuts about which you have spoken so eloquently, and the taxes on the small businesses in your State and all of our States, do you think that perhaps not putting these taxes in place is a good policy, because maybe we can still stop this when people find out what is in it, when it is supposed to take effect 4 years from now?

Mr. BARRASSO. Mr. President, I would respond to my colleague from Texas that I think she is absolutely right. The more people learn about this bill and the details of the bill, the more the American people oppose this bill.

My colleague from Texas made a wonderful point yesterday and again today when she said if they start this

tax collecting right now, do we even know the money is going to be there 4 years from now to start supplying the services. There was a story in today's USA TODAY talking about unemployment in this country, and the story says:

Public Gain, Private Pain. For Federal workers there is a hiring boom. The Federal Government is adding jobs this year at a rate of nearly 10,000 per month.

We have read about all of the different bureaucracies that will be brought into play if this passes: over 70 new bureaucracies, 150,000 more Federal employees, more Washington bureaucrats to make rules and regulations that affect the people of America. It talks about the 10-percent unemployment in the country. It says, it is the new Federal jobs—not the small business jobs, the Federal jobs—that have helped bring down the unemployment rate from 10.2 to 10 percent. It is the Federal jobs.

I am looking at all of this money that Washington is going to collect. I used to think it was a big gimmick so they could say, Well, we have kept the number under $900 billion. I still believe it is a big gimmick, but I am concerned they are going to spend the money as well so the money won't be there, which is the point of the Senator from Texas, who has been very fiscally conservative, out there always making sure we are not spending the taxpayer money in any way that is not a wise use of the money.

Is that one of the concerns the Senator has? I know the Senator from South Dakota has similar concerns: Will the money be there if they are going to hire more Washington bureaucrats, which is what USA TODAY says?

Mr. THUNE. That is exactly what our concern is. I would also add this recent study that came out yesterday by the CMS chief actuary sheds a lot of additional light on what is a very bad proposal, a big government proposal that does create 70 new programs here in Washington, DC, but does nothing to affect in a positive way the health care costs that most Americans are dealing with right now. The actuary goes on to say that access to care problems is plausible and even probable under the Reid bill.

So the issue we have talked about in States such as Wyoming and South Dakota, where people travel long distances to get access to health care, would be aggravated by this legislation because there would be a need for more and more providers—hospitals, physicians—who currently don't take Medicaid patients. You expand Medicare, which is the latest proposal the Democrats have put forward, and as a consequence of that you get fewer and fewer hospitals, fewer and fewer physicians who are accepting Medicare patients, because Medicare and Medicaid are both underreimbursed, therefore creating a cost shift where the cost is shifted over to private payers whose premiums continue to go up and up.

So that is why we see all of these studies coming out saying premiums are going to go up, taxes are going to go up, and Medicare benefits are going to be cut, particularly for seniors who have Medicare Advantage. At the end of the day, this ends up being a $2.5 billion expansion of the government here in Washington, DC.

But to the point the Senator from Texas made—and I think—I know we are running out of time. We want to vote. We want to vote on this motion. We don't think you ought to start taxing people in 21 days and not start delivering benefits for almost 1,500 days.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. THUNE. That is what our motion would do: Synchronize the tax increases with the benefits.

I yield the floor.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that until the Democrats take over, we may continue to talk.

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

Mrs. HUTCHISON. Mr. President, to continue with the Senator from South Dakota, I am glad he made the point because we are very much hoping our amendment will be in the order when we start voting on the health care amendments.

The amendment is so clear; it is very simple. I have it here. For Washington, it is half a page. That is something everyone will be able to appreciate—the motion to commit with instructions:

Senator Hutchison and Senator Thune move to commit the bill to the Committee on Finance with instructions to report back to the Senate with changes to align the effective dates of all taxes, fees, and tax increases levied by such bill so that no such tax, fee, or increase takes effect until such time as the major insurance coverage provisions of the bill, including the insurance exchanges, have begun.

The committee is further instructed to maintain the deficit neutrality of the bill over the 10-year budget window.

That is what was promised. This was going to be deficit neutral. It is not deficit neutral. The cost of this bill is $2.5 trillion over the 10-year period when it starts, in 2014 until 2023. It is $2.5 trillion. The ''offset''—I put that in quotes because the offsets are $500 billion in tax cuts to Medicare, which will lower the ability of hospitals to stay in business and treat Medicare patients and doctors to be able to treat Medicare patients.

So the quality of Medicare is going to go down. Medicare Advantage will be severely restricted. So you have $500 billion in cuts to Medicare, and then you have $500 billion in tax increases and mandates. That is a total of $1 trillion in offsets in a bill that costs $2.5 trillion.

What the Senator from South Dakota and I are trying to do is let's keep our word. Let's keep our word and do two things that the American people should expect: No. 1, that we would not start the taxes until the program takes effect; No. 2, that it would be deficit neutral.

By my math, I ask the Senator from South Dakota, it looks to me like we are $1.5 trillion into the deficit, and we are already at a debt ceiling that is higher than we have had as a percentage of our GDP since World War II. So it is a $12 trillion debt ceiling we are hitting right now, and we are talking about a $1.5 trillion deficit in the bill we are being asked to vote for.

I ask the Senator from South Dakota, who is my cosponsor on this very important amendment, don't we owe the American people the transparency, as well as the policy, that we would eliminate the deficit and we would stop these disastrous taxes from taking effect, so maybe we would have a chance to change this product going forward in the next 4 years so the American people will not be saddled with these expenses, taxes, and mandates?

Mr. THUNE. We do want to get a vote—a vote on our amendment and on other amendments. Right now, that is being prevented or blocked. We haven't had a vote since Tuesday. We have amendments that are ready to go.

The other side said they are open to amendments and they want to get the bill moving forward, but we are being prevented from getting votes on amendments. In the meantime, this backroom deal that is being cut, which we haven't seen—supposedly it has been sent to the CBO to find out what it will cost. We are waiting for that deal to emerge. In the meantime, we are looking at a piece of legislation that costs $2.5 trillion when fully implemented.

As the Senator said, it relies on Medicare cuts and tax increases to finance it. Just yesterday, the chief actuary at the Center for Medicare and Medicaid Services basically said the savings that are relied upon, in terms of Medicare cuts, are unlikely to be sustainable on a permanent basis. They raise the question about whether those cuts are actually going to occur and, if they do, whether they will be sustained. If they are not, then you have the question of whether a lot of these providers out there—if the cuts do occur, and they continue to lose more and more every time they see a Medicare patient, then they are going to quit participating in the Medicare Program. You will have fewer providers offering services, making it more difficult for people—especially in places such as Wyoming and South Dakota—to get access to health care.

You are assuming all these cuts in Medicare are going to occur, and you are assuming all these tax increases. Even with all that, you have a $2.5 trillion expansion of the Federal Government, which inevitably is going to rely more and more on borrowing. You are going to see more and more of this going on the debt, and we will pass it on to future generations.

As CMS pointed out, it is unlikely these Medicare payment cuts are going to be sustainable without driving hospitals and doctors and other health care providers out of business. When they start reacting to this and those Medicare cuts are no longer sustainable, then you have built in all this new spending, and there is no way to pay for it without raising taxes dramatically, which would be, I guess, something the other side—since they have already demonstrated a significant willingness to raise taxes in this bill or borrowing, neither of which is good for the future of the country or our economy.

Right now, our economy is trying to come out of a recession. Small businesses, which create the jobs in our economy, are faced with higher taxes under this bill. They have come forward and said—every conceivable business is saying this will drive up the cost of doing business, and it will raise the cost of health care in this country.

So you have all these small businesses saying we are not going to be able to create jobs. You have that specter out there. You also have the idea of the Medicare cuts, which are, according to the CMS actuary, unlikely to be sustainable, leading to borrowing and debt, which means we are already running a $1 trillion deficit every year and piling more on the Federal debt and there will be a movement here to raise the debt limit by almost $2 trillion. So we will pass this on to future generations, future young Americans, who are going to bear the cost of this massive expansion of the Federal Government.

There isn't anything in this that is good for the American public, which is why they are reacting the way they are, and why you are seeing these 61 percent of Americans coming out in the polls against it.

I say to my friend from Wyoming, his thoughts with regard to this issue, these Medicare cuts being sustainable, how it is going to impact the delivery of health care around this country, and what it will do to future generations in terms of the additional debt and borrowing.

Mr. BARRASSO. As my friend knows, small communities——

Mrs. HUTCHISON. I am sorry to interrupt my friend. I ask unanimous consent that he have 1 minute to finish, after which the floor would go to the majority.

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

Mr. BARRASSO. To follow up, the small communities of this Nation have great concerns about these cuts in Medicare because the small community hospitals that stay open know they have to live within their means. When Medicare cuts total over almost $½ trillion, it is the small communities that have just one hospital in a frontier medicine mode taking care of people who may live 50, 100, or 150 miles away, those hospitals' very survivability is at stake.

That is why we cannot pass this bill, which will hurt seniors, raise taxes on the American people, cost jobs, and cause people who have insurance to have their premiums raised. For all these reasons, this bill is the wrong prescription for America.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, first of all, I ask unanimous consent that the amount of time by which the other side went over the allotted time be added to our block of time.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

PRESCRIPTION DRUG PRICING

Mr. DORGAN. Mr. President, I have come to the floor to speak about something a colleague of mine spoke about last night, which I think he believes separates us when, in fact, it doesn't.

Before I do that, I wish to talk for a moment about the amendment of mine now pending on the floor of the Senate, dealing with the issue of prescription drug pricing.

I offered this amendment, along with my colleague, Senator SNOWE, with the support of a broad bipartisan group of Members of the Senate—Republicans and Democrats—at a time when there has been so few bipartisan amendments. The amendment I have offered is, in fact, bipartisan and had bipartisan speeches in favor of it in the last several days. That is unusual, but I think it is also refreshing.

The amendment is very simple. It has been around for a long time. It has been hard to get passed because the pharmaceutical industry is a very strong, assertive industry. It is a good industry, but I have strong disagreements with their pricing policies. This amendment simply says the American people ought to have the freedom to access FDA-approved drugs wherever they are sold—as long as they are FDA approved—and offered at a fraction of the price they are sold at in the United States.

I ask unanimous consent to show on the floor, once again, two bottles of pills.

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

Mr. DORGAN. This bottle contained Lipitor, perhaps the most popular cholesterol-lowering drug in the world. This was made by an American company in an Irish plant—made in Ireland and shipped around the world. This bottle, as you can see, is identical to this one. One has a red label and one has a blue label.

The only difference in a circumstance, where you have the same pill, put in the same bottle, made by the same company, is the price. Americans pay $4.78 per tablet and, in this case, folks in another country pay $2.05. Why the difference? Again, it is not just one country. This bottle is shipped to virtually every other country, including Great Britain, France, Germany, Spain, Canada, and it is sold at a much lower price.

The question is, Should the American people be required to pay the highest prices in the world for prescription drugs and not have the freedom to access those drugs in the global marketplace?

Some say: Well, if you did that—if you allow the American people to access that drug from Canada or Germany at a fraction of the price, we would get counterfeit drugs.

It is interesting that in our amendment we actually have more safety provisions than exist in our domestic drug supply. There does not now exist a tracing capability, pedigree, or batch lots. That would be a part of our amendment. That doesn't exist for America's drug supply today. We will actually improve the safety of the drug supply with this amendment.

I didn't offer this amendment to cause trouble for people. I know this is causing great angst in the Senate. We have been tied up several days now on this issue. I know the pharmaceutical industry has a great deal of clout. This issue revolves around $100 billion, $19 billion of which will be saved by the Federal Government in the next 10 years and nearly $80 billion saved by the American consumers because they can access FDA prescription drugs at a fraction of the price.

So I understand why some are fighting hard to prevent this. But this is important public policy. The price of prescription drugs has gone up 9 percent this year alone. Every single year, the price of prescription drugs goes up. Every year since 2002, drug price increases have risen above the rate of inflation. We can't, in my judgment, pass health care reform through the Congress and say: Yes, we did that, but we did nothing about the relentless increases in the price of prescription drugs. We will solve that not by imposing price controls but by giving the American people freedom. They are told it is a global economy. Well, it is a global economy for everything except the American people trying to access prescription drugs at a fraction of the price in most other countries.

Again, I didn't offer this amendment to try to cause trouble; I offered this amendment to try to solve a problem. This Congress should not, in my judgment, move ahead with health care reform and decide it ought to leave the question of the American people paying the highest prices for prescription drugs—leave that alone and let that continue to be the case for the next 10 years or the next 20 years. I will speak more about it later.

TRADE WITH CUBA

Mr. DORGAN. Mr. President, I came to the floor to speak about a speech a colleague, for whom I have great affection, gave yesterday on the floor of the