Therefore, I send a cloture motion to the desk on the Crapo amendment.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending Crapo motion to commit H.R. 3590, a bill to amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees.

Mitch McConnell, Chuck Grassley, Judd Gregg, Lamar Alexander, Johnny Isakson, David Vitter, Sam Brownback, George S. LeMieux, Pat Roberts, Jeff Sessions, Bob Corker, John Barrasso, Jon Kyl, John McCain, Saxby Chambliss, Thad Cochran, Lindsey Graham.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, I hope we can bring to fruition a consent agreement to allow us to begin to vote. Yesterday, against considerable opposition on my own side, I basically backed down and offered the consent agreement the majority leader had offered a few days ago, which would have allowed our Democratic friends to have a side-by-side with their own amendment on the issue of drug reimportation and a side-by-side with Senator CRAPO's amendment on taxes. The majority objected, essentially, to the consent that they had previously offered a few days before.

I hope we can get back on track. The commitment was made by the majority at the beginning of this debate that we would have plenty of amendments. We had a process where we went from one side to the other, back and forth, smoothly. Either side was able to offer side-by-side amendments if they chose to. I think it is not fair to the American people—not fair to the American people to deny them the opportunity to have votes on what has been called the most important issue of our era, so important it has to be done before Christmas.

In the meantime, they are in some secret meeting, trying to come up with a bill that not only not all Senators have seen, not even Democratic Senators, but the American people have not seen it. We know what the core of the bill is. There are amendments the American people would like to see us debate and vote on and that is why I filed cloture on the Crapo amendment. Hopefully, we will not have to have that cloture vote, we can get back on track, as we were until things began to bog down midweek.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois, the majority whip.

Mr. DURBIN. Mr. President, the majority side offered a unanimous consent, I believe on three successive days, to the Republican side, which they did not accept. Then yesterday the minority leader offered a variation on that, which is being considered at this moment by the majority leader. We are not prepared—I am not prepared to make a statement until the majority leader has made a final decision, having talked over the new offer with our members. The time may come. I cannot predict whether it will.

I do believe we have to work on it some more. In the meantime, I think the floor should be open for comments. I ask unanimous consent the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. DURBIN. I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Arizona.

HEALTH CARE REFORM

Mr. KYL. Mr. President, given the season, maybe we should spend a little time talking about what Americans are wishing for Christmas. I don't think very many people in the Chamber have had much chance to go do their Christmas shopping. At least maybe we can consider what folks are telling us they would like to have. We have certainly heard it. They want jobs. They want the economy to improve. They want meaningful health care reform that will drive down costs and increase their access and avoid harming a full economic recovery. What they don't want is to be burdened with a litany of new taxes. Unfortunately, the health care bill we have been debating is layered with new tax after new tax.

What I hope is that the majority will eventually agree to considering more amendments, including, for example, amendments such as the Hutchison-Thune amendment which will limit the taxes in this bill, taxes that will hit families, seniors, the chronically ill, small businesses, those who use flexible spending accounts, and those, for example, who use medical devices. In total, there are 12 new taxes in this bill, many of which will take effect right after the bill passes, though the other components will not go into effect until 2014. The Internal Revenue Service estimates it would need between $5 and $10 billion over the next 10 years to oversee collection of these new taxes.

Americans know their taxes are going up if this bill passes. In fact, 85 percent believe that will happen, according to a new CNN poll. They are right. Surely that helps to account for the fact that a full 61 percent disapprove of the bill, according to that same poll, with just 36 percent supporting it. Think of that, a CNN poll, brand new, 61 percent of the American people oppose the bill, only 36 percent support it. Every week, the numbers get worse.

I spoke recently about the adverse impact of a new payroll tax on job creation, especially for small businesses. Today, I want to talk about how three additional taxes would hurt Americans: one, the new tax on the chronically ill; two, a new tax on flexible spending accounts; three, a new tax on medical devices.

First, let's talk about the chronically ill. These are the sickest Americans, the chronically ill and seniors who tend to have more medical problems. These folks would be hurt by a change in the Tax Code that actually raises the amount of money they owe the Federal Government every year.

Here is how it works. Currently, taxpayers can deduct the costs of their catastrophic medical expenses if those expenses exceed 7.5 percent of their income. The bill would raise that threshold to 10 percent. So people, especially seniors and the chronically ill, would have to spend a lot more of their own money on these kinds of expenses before they could begin to take advantage of a tax deduction.

The Joint Committee on Taxation says this change would cost taxpayers more than $15 billion over the next 10 years. We are talking about a lot of money. It would raise taxes on 5.8 million taxpayers, 87 percent of whom earn under $100,000 a year. So we are not talking about, for the most part, the wealthy. In fact, because of this problem, the Nelson amendment was adopted in the Finance Committee that would at least exempt seniors until the year 2016. Obviously, it isn't only seniors who pay the tax. Secondly, we don't want to impose it on them after 2016 either.

According to the CRS:

The deduction can ease the financial burden imposed by costly medical expenses. For the most part, the federal tax code regards these expenses as involuntary expenses that reduce a taxpayer's ability to pay taxes by absorbing a substantial part of income.

That is certainly true. Many people rely on this deduction to offset expenses beyond their control.

Under the Democratic bill, 5.8 million of the sickest Americans would get a bigger tax bill from Uncle Sam. That is not reform.

The second new tax is on flexible spending accounts. Many Americans with these flexible spending accounts would see a tax increase under the bill. How does that work? Under current law, employees can make a tax-free contribution to a flexible spending account in order to pay out-of-pocket expenses for medically necessary goods and services, things such as diabetes testing supplies, orthodontia bills for braces and tooth repair, to name a few. Right now, there is no limit on these contributions to the FSA. Most employers who offer the FSA peg it at about $5,000. The bill would cut that in half and limit by law the amount the employers could contribute to $2,500. Why? That means families would pay taxes on medical expenses in excess of that amount. That is the reason. They need more revenue under the bill. This is a very clever backdoor way to get it, limit the amount the employer can contribute to your FSA, so you end up having to pay more taxes on things that are important to your health care and that of your family.

The Joint Committee on Taxation estimates this provision would cost taxpayers $15 billion over 10 years or, to put it another way, it is one of the ways they raise revenues in the bill to pay for the high cost of the legislation, another $15 billion.

Who would be affected by this increase? The Employers Council on Flexible Compensation estimates that the median income for the 35 million Americans holding FSAs is $55,000. That is the median income—half are above, half are below. Think about that. Half the people who would be impacted by this make less than $55,000 a year. Many middle-income families will lose money on medical expenses because of this provision.

Finally, the medical device tax. The Democratic bill imposes an annual nondeductible tax on medical device makers that would cost $20 billion over 10 years. The reason for this, again, is to generate revenues to pay for the high cost of the bill; otherwise, why would you tax something that can be a lifesaver for people? I have said before that I could see, I suppose, taxing liquor or tobacco, but why would you tax this? This helps save lives. Thousands of products—wheelchairs, surgical equipment, contact lenses, stethoscopes, hospital beds, artificial heart valves, diabetes testing equipment—all of these are the kinds of medical devices targeted by this tax. It will even hit cutting-edge technologies such as CT scanners. Why would we do this?

American taxpayers are the ones who will foot the bill for the tax because, according to the CBO, the medical device tax ''would increase costs for the affected firms which would be passed on to purchasers and would ultimately raise insurance premiums by a corresponding amount.''

Congress taxes a device manufacturer. They pass the tax on to the cost of the item that takes care of the individual. And since the insurance companies usually have to pay for that, their premiums go up to reflect the increased costs—another reason why, under this bill, insurance premiums don't go down, they go up. This tax means increased costs for health insurers, which in turn pass it on to patients in the form of higher premiums. This would go into effect immediately, even though subsidies for government-mandated insurance are not available until 2014. The net impact would be an $8 billion increase in patient premiums in 2010, 2011, 2012, and 2013, before any of the subsidies in the bill take effect. Is this really what we want—to drive up patient premiums with new taxes? We know those are not the kinds of reforms Americans are asking for.

To reiterate, the taxes I have discussed include a tax increase on the chronically ill and seniors, a tax increase on holders of flexible spending accounts, mainly middle-income families, and a tax on medical devices that would drive up insurance premiums.

Many of the 12 total taxes would take effect immediately even though the rest of the bill wouldn't take effect until the year 2014. That is part of the budget gimmickry used to pay for this Federal leviathan. Your taxes go up in 2010 but nothing to show for it until 2014. That is why the Democrats claim to have a budget-neutral bill that comes in at less than $1 trillion. Washington will be sitting on a pile of money 4 years in advance of full implementation of the bill. But when you take a look at the true 10-year cost beginning in 2014, the price tag is an astounding $2.5 trillion, a figure confirmed by the chairman of the Finance Committee.

Because I disapprove of these budget gimmicks and the imposition of these taxes, I support the Hutchison-Thune amendment, an amendment which says that new taxes will not be enacted until the rest of the bill is.

I urge my Democratic colleagues not to object to voting on the pending amendments and to take up additional amendments such as the Snowe amendment, which will come later, and the Hutchison-Thune amendment, which would at least address the problems I have discussed. The American people don't want a slew of new taxes for Christmas.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, this would be the perfect moment for me to say to those who are following this debate: That is the critique of the Senator from Arizona of the Democratic bill. I would like to offer a critique of the Republican plan for health care reform, but I can't do that. It is impossible because it doesn't exist.

This bill, 2,075 pages, has been worked on for a year. It is not easy. It is complex. We have prepared a bill and brought it before the Senate. The Republican side of the aisle has had the same year and has produced nothing.

I am sorry, that is not true. They have produced press releases and speeches and charts and a handful of bills which attack sections of this bill. But they have not produced a bill that has been cleared by the Congressional Budget Office, as this one has; that will reduce the deficit; that will, in fact, reduce health care premiums for the vast majority of Americans, at least the growth in premiums. They haven't produced a bill that will mean 30 million more Americans will have health insurance. They haven't produced a bill that is going to finally give consumers a fighting chance against health insurance companies. They haven't done it. They have produced speeches and press releases. That is where we are today, after 1 full year.

Obviously, the other side of the aisle is happy with the current system of health care and doesn't want to change it. If they did, they would offer a comprehensive health care reform bill. They failed to do that. They have come before us and said: We have a lot of our own bills. We call them Republican bills. Not any of those bills have been subjected to the kind of scrutiny this bill has been subjected to by the Congressional Budget Office. They may have good ideas. I can't say that they do or don't. But by and large, they are just taking potshots at this bill because they don't have a bill.

You listen to the Senator from Arizona. He talks about taxes. He fails to mention one or two critically important things.

First, this bill has $441 billion in tax cuts in the first 10 years for average people trying to pay their health insurance premiums. I don't know if the Senator from Arizona thinks that is a good idea or not. He has never spoken to that, at least that I have heard. I think it is a good idea. If you are making less than $80,000 a year, we want to make sure you have insurance, and this bill wants to make sure we give you a helping hand. It is a tax cut.

Secondly, this bill provides tax relief for small businesses with fewer than 25 employees. Those are ''mom and pop'' small businesses, where they find it hard to buy insurance, and it is expensive when they find it. This bill gives a tax break to those businesses. So when the Senator comes up and speaks about this little tax and that little tax, he fails to step back and look at the big picture. The big picture is this bill changes health care in a positive way. It keeps the good things we have in America's health care system, but it changes some of the things that need to be changed.

This bill makes health insurance more affordable, and that is something every American wants. I have yet to hear a proposal from the other side of

the aisle which does that—certainly nothing that has been subject to the scrutiny of the Congressional Budget Office.

This bill also expands health insurance to 94 percent of the American population. That is an all-time high. We have never had that many people insured in America.

The Senator from Arizona just talked about a tax on medical devices. Why would industries such as the hospital industry or the medical device industry or the pharmaceutical industry agree to pay more money to the government as part of this? For one very simple and fundamental reason: 30 million more Americans will have health insurance. They will be using more medical devices and paying for them with their insurance policies. They will be using more pharmaceuticals. More hospitals will get paid instead of relying on charity care.

So many of these providers have stepped up to us and said: If the goal is to expand the base of people insured paying into the system, our industry, which provides medical services, medical devices, and that sort of thing, is willing to participate, to come up with the money to make this work. That is the part the Senator from Arizona did not make a note of, and he should have. It is a very critical and important part of this.

So I would say that although none of us like to see taxes increased, if at the end of the day we believe our health insurance premiums will come down, that more Americans are going to have the peace of mind of health insurance; if they believe at the end of the day there will be more people insured and paying for more services, you can understand why the health care industry is participating in this conversation about this bill.

As for the tax cuts, for those making $80,000 a year or less, I think it is a good idea. It is one of the biggest tax cut packages we have had, and we pay for it.

This bill will generate a surplus in the Treasury in the first 10 years of $130 billion, in the second 10 years of another $650 billion. It is the biggest deficit-reduction bill ever considered on the floor of the Senate, according to the Congressional Budget Office, and the Republicans have nothing to offer which comes even close to that.

This is a rare Sunday session. The rest of the day will be spent with speeches like this on the Senate floor about this issue. But I can tell you, we have never considered one more important. This is an issue which touches every American, every American family, and every American business. We have worked long and hard to bring this to the floor. I know it is not perfect; no bill ever is. But it is a good-faith effort that has gone through the scrutiny of the Congressional Budget Office.

For the critics on the other side—and there are many—my first question to each and every one of them is, Where is your comprehensive health care reform plan? Where is a plan that has gone through the scrutiny and review that this plan has gone through? The answer is, it does not exist.

So I welcome their critique, but I understand it is a critique without an alternative.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa be recognized for 20 minutes, and that I be recognized at the conclusion of his remarks for up to 20 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WHITEHOUSE. Mr. President, I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the Senator from Illinois is still on the Senate floor. Last week, I pointed out the plans that Republicans have introduced right here. The only way the Senator from Illinois can have an out is he was cute—he was cute—in modifying it, that it has not been scored by the Congressional Budget Office. But here is the fact on what the Congressional Budget Office can do and not do.

They were busy since May with the Senate health bill, getting it scored. They were busy working with us in the Group of 6 to try to get a bipartisan bill scored. Since October 2 until now, they have been working with the Senate leader full time to score everything they have had a chance to put out.

So I do not want anybody listening around the country to think Republicans do not have alternatives to what is being offered. But the only thing he can say is: They do not have a plan that has been scored. But we have plans, and if they went to hire more help in the Congressional Budget Office, we will get them scored.

Mr. President, I rise for the sake of the 50 States in the United States today because in this 2,074-page bill is a massive budget burden for every 1 of the 50 States—or maybe I better say for almost all of the 50 States—because of the expansion of Medicaid. I am talking about Medicaid, a Federal-State program. I am not talking about Medicare, a totally Federal program.

If this bill becomes law, the Congressional Budget Office estimates by the year 2019, 54 million nonelderly, nondisabled Americans will be locked into Medicaid. Now, there is a very important word I want to emphasize—''locked''—because with these additional people in Medicaid, they will not have any choice. Medicaid is the only place to get their health care, where a lot of other people will have choices under what we call the exchange.

So let me say it another way. I say they are locked in because this bill does not allow Americans with incomes below 133 percent of the Federal poverty level to get tax credits like most other Americans who are not below 133 percent of the Federal poverty level in a subsidy that comes through the exchange.

Mr. President, 54 million Americans will be locked into a program—and this is where we get back to the States—that the 50 States cannot afford. We are not being honest with ourselves or our constituents or the people who will depend on the safety net if we try to argue that States can fund their share of this massive expansion.

Medicaid, as I said, is a Federal-State partnership, probably about 43 years old. The Federal Government pays for, on average, 57 percent of the cost of Medicaid. So, on average, States pay about 43 percent of the program, and the States administer the program.

In my State of Iowa, that division would be about 68 percent coming from the Federal Government, 32 percent the taxpayers of Iowa pay for.

To describe Medicaid's financial situation as fragile would be an understatement. Earlier this year, Congress voted to provide States an additional $87 billion to prevent States from drastically cutting back their program. That is $87 billion out of the $787 billion stimulus bill.

When we were considering that bill, the Government Accountability Office made it clear to us that States were in crisis. Every day you read about States being in crisis—budget crisis. The Government Accountability Office models predicted that State spending will grow faster than State revenues for at least the next 10 years. So here is the warning the Government Accountability Office has provided to those of us in Congress:

> Since most state and local governments are required to balance their operating budgets, the declining fiscal conditions shown in our simulations suggest that, without intervention, these governments would need to make substantial policy changes to avoid growing fiscal imbalances.

The State fiscal situation has not improved in the months since the Government Accountability Office report.

Now, let's go to the National Governors Association. They published a report recently entitled, ''The State Fiscal Situation; The Lost Decade.'' In this report, the Nation's Governors portray a bleak picture of State finances. Their report highlights the situation with State revenues and the economic situation. Their report notes:

> The recent economic downturn started in December 2007 and likely ended in August or September 2009, making it one of the deepest and longest since the Great Depression.

State revenues are not likely to rebound until the years 2014 or 2015. States will continue to have to finance retiree pensions, as they wait for this rebound. The National Governors Association's conclusion is, obviously, a somber one. Their report goes on to say:

The bottom line is that states will continue to struggle over the next decade because of the combination of the length and depth of this economic downturn and the projected slow recovery. Even after states begin to see the light, they will face the ''over-hang'' of unmet needs accumulated during the downturn.

Meaning the recent recession.

The report continues:

The fact is that the biggest impact on states is the one to two years after the recession is over. With states having entered the recession in 2008, revenue shortfalls persisting into 2014 and a need to backfill deferred investments into core state functions, it will take states nearly a decade to fully emerge from the current recession.

Here we have the National Association of State Budget Officers, from a December 2009 fiscal report about the terrible position States are in right now, even without loading them down with the additional burden that is going to come through Medicaid expansion in this 2,074-page bill. Quoting from the National Association of State Budget Officers:

States are currently facing one of the worst, if not the worst, fiscal periods since the Great Depression.

You see that quote behind me, as shown on that chart.

Under current conditions, States will face significant challenges if they are to meet their current Medicaid obligations—emphasis upon ''current''—without the addition of these millions of people being put on Medicaid because of the expansion in this 2,074-page bill.

States are also going to have to make substantial policy changes to meet their budget obligations just currently the way the situation is.

Will States cut their Medicaid Programs to cut costs? Right now, as a condition of the $87 billion in stimulus funds, States cannot cut because that is a requirement of the stimulus package. Under this bill, they will not be able to touch their Medicaid Programs until 2014, the year they are forced, then, to massively expand their programs.

So what will States do to make their budgets work? Will they cut roads and bridges? Will they cut education? Will they cut back on law enforcement and prisons? Will the States raise taxes?

I cannot say what 50 different States will do for certain. But States are going to have to make significant changes. Right now, in my State of Iowa, my Democratic Governor, Chet Culver, is trying the best he can to work out of a $565 million hole of which he has spending cuts in State government that is intended to address the shortfall in the current budget year. A shortfall of more than $1 billion is forecast in my State for the budget year that begins July 1 of next year. That is a major problem for our State legislators meeting in January. This isn't just Iowa. Forty-three States have been forced to cut spending in 2009. It is not just about the raw numbers, it is about the people served by the program.

A few days ago I had a group of constituents in my office asking for support for a children's mental health program. They told heart-wrenching stories about the challenges they face as parents in providing care for their children. Their children bravely recounted the struggles they have faced and are overcoming as they battle mental illness.

They benefit from a combined Federal-State program to provide them critical support services that aren't covered in Medicaid. The State dollars that go into that program are going to be severely jeopardized when this bill takes effect and the States are going to have to assume a larger share because of our forcing them to expand Medicare coverage.

It is going to hurt these children I referred to. Right now, Iowa is looking at the possibility of closing two State mental health facilities. In fact, the Des Moines Register recently editorialized that out of four, we only ought to keep one open.

On December 4, Iowa State courts were closed as workers there were furloughed without pay in an effort to close the budget gap. States are struggling to keep up essential services. Senators here will add a giant new unfunded mandate to States and hide behind the rhetoric of State responsibility.

It is very disappointing to have people who claim to be champions of the poor and the needy turn a blind eye to the obvious impact of their actions in this bill on State budgets and on the people served by those States. Yet, in the face of the evidence, the Democrats are proposing a bill that forces States to expand their Medicaid Programs.

This bill proposes that every State cover every American up to 133 percent of poverty. This is a massive expansion of the welfare state. It is the largest expansion of Medicaid in the 43-year history of the program. It will add another 15 million people to the Medicaid rolls. It will increase Federal Medicaid spending by $374 billion. It also will increase State spending by $25 billion.

Which States will be affected? Every State here that is colored in red on this chart will be affected by this mandate. States are in their most dire fiscal situation since the Great Depression and the Democrats want to slap all of these States in red with a huge unfunded mandate.

The majority obviously believes Medicaid expansion is the right way to increase coverage. The majority is willfully ignoring facts. States already can't afford the programs, and this bill requires States to expand their programs and make them pay more for the privilege of doing so.

That is not the only cost being shifted to the States. The insurer tax in this bill hits Medicaid managed care plans. Those managed care plans run on an extremely narrow margin. The tax on them is simply going to be passed on to the States. The decision made in the back rooms of the majority leader's office to keep all of the additional Medicaid drug rebate dollars for the Federal Government will hurt States.

I know some people will try to argue that you can't take something from the States they never had, but for years States have been negotiating supplemental rebates with drug companies. Those will most certainly go away. As more and more people get added to the fraying safety net, that safety net will not be able to hold up. That safety net is going to fall apart. This is a bill that will crash the safety net. If this bill is signed into law, it is only a matter of time before Congress is forced to come back and restructure the policies in this bill and spend tens of billions of dollars more to keep the safety net from failing completely.

Providing extra dollars to the States is going to become an annual rite in the Congress. It will very quickly become the so-called doctors fix or the SGR problem of Medicaid. The Governors know this as well. I wish to quote some.

I will start with Nevada Governor Jim Gibbons:

Under the Reid plan, a mandatory expansion of the Nevada Medicaid program would add more than 41,000 people to the program's rolls in 2014, expanding Nevada's Medicaid enrollment by nearly 60 percent by 2019. Overall, the Reid plan will cost Nevada taxpayers more than $613 million in State General Fund dollars between 2014 and 2019. In addition to imposing this massive tax burden, the bill also removes existing state options, essentially federalizing this program.

Then a quote from North Dakota's Governor John Hoeven:

We, along with the National Governors Association, urge extreme caution in moving forward with any plan that would commit the states, without their express participation and consent, to obligations that may financially bind them for decades into the future.

I will close with two of my favorite Governor quotes, and both of these are Democrats. The governor of Tennessee says this:

There won't be new prisons built during that period. There won't be much in the way of capital improvements in the state during that period. So it's very scary for governors to be saying as soon as the revenues get back there, the federal government is going to come in and say here's how you're going to spend your new money.

Governor Brian Schweitzer of Montana, describing Medicaid, says:

One of the least effective programs in terms of health care in the history of this country is something called Medicaid. About 20 percent of America is on a Medicaid program and they would like to shift it and grow it to somewhere around 25 or 30 percent.

A quote from Governor Schweitzer goes on:

Now Medicaid is a system that isn't working, almost everyone agrees. But what Congress intends to do is increase the number [of people] on Medicaid so they could do it on the cheap. It is not working for anybody.

The Democrats in Congress are committing well more than $1 trillion of taxpayer dollars to health care reform.

It is not our money, it is the taxpayers' money. It is our responsibility to make sure it is spent wisely. In Medicaid, with a massive expansion and a de facto tax increase on the States, this is clearly not the case. In other words, the money is not spent wisely.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 1½ minutes remaining.

Mr. GRASSLEY. In a minute and a half, I would simply bring to the attention of all of the Members of the Senate the fact that between now and December 30 of this year, besides working on this health care bill, we have these things that have to be done:

The debt ceiling has to be increased.

We have to pass the Defense appropriations bill.

We have to decide what is going to happen with the death tax. The estate tax is going to end at the end of this year. Next year, there is not going to be any estate tax. I don't think anybody wants that situation to happen because it is only going to happen for 1 year, so we need to do something on estate tax.

The highway bill needs to be reauthorized or extended.

The PATRIOT Act has to be extended because at least three parts of it expire, and if they are not reinstituted, a lot of the work of the FBI tracking terrorists is going to be impossible.

We have several tax provisions—73, to be exact—that are extended from time to time. They need to be extended.

Doctors are going to take a 23-percent cut in their reimbursement under Medicare if we don't do something about it.

The Federal Aviation Administration needs to be reauthorized, and maybe the Satellite Home Viewers Act needs to be reauthorized, all between now and the end of the year.

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

Mr. GRASSLEY. This bill doesn't take effect until 2014, so we ought to be getting off of this health care bill and get some of these things done that need to be done before the end of the year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. WHITEHOUSE. Mr. President, it appears to be just the two of us here, so if the Senator from Iowa wishes to take a few more minutes to conclude his remarks, I have no objection.

Mr. GRASSLEY. No, I am finished. I thank the Senator.

Mr. WHITEHOUSE. Very well. Mr. President, I have had the chance to sit yesterday where the Presiding Officer is sitting today and hear several hours of Republican criticism of the health care bill, much of it focusing on the recent report from the CMS Office of the Actuary and the concern about cost. I wish to say a few words about that.

Clearly, the problem of cost is a very real and dramatic one. This is the curve of our national health care spending, starting back in 1955, the year I was born, at $12 billion and increasing at an accelerating rate until in 2009 we were at $2.5 trillion every single year. Of course, if we look at the curve, we are not going to level out next year at that level; it is going to keep rocketing upward to the point where in my home State of Rhode Island, if we don't do anything, by 2016—which is just over the horizon; it is not too far to look forward to, even in this building—$26,000 is what it will cost the average family of four for their health insurance. So the problem of cost is a very real one and the numbers involved are staggering.

However, if you are going to look at the CMS report, I would suggest there is not just one number to look at, there are several numbers. Then there is an alternative consideration that I think we need to consider.

The Republicans have focused on page 4 of the CMS report where the Actuary estimates that total national health expenditures under this bill would increase by an estimated total of $234 billion, or 0.7 percent during the calendar years 2010 to 2019, over those 10 years. That is an important number, I will grant them that, but I think there is another number that is equally important—indeed, more important, and that is on the page before. On page 3 the CMS Actuary says that: ''Under this legislation, an additional 33 million people would become insured by 2019.''

An additional 33 million Americans would become insured by 2019. Think about that. We have over and over again come to the floor and told of stories from our home States, heard our colleagues tell us stories from their home States about the terrible toll and tragedy that befalls families when they are uninsured or underinsured. Just 30 years ago when we were about here on the chart, only 8 percent of American families filing for bankruptcy protection did so as a result of medical bills. Now it is 60 percent. Sixty percent of family bankruptcies relate back to medical emergencies, unforeseen diagnoses, medical bills that have broken the family. Thirty-three million people with adequate health insurance so they don't face that trauma and that catastrophe, that is something real.

It has been estimated that because of a lack of insurance, 40,000 people a year die prematurely. Forty thousand Americans dead as a consequence of lack of insurance. So this bill would cover 33 million people and lift that burden of worry, of anxiety, of financial catastrophe, of illness, even of death, off of all of those families. That is not something to shrug off. Yet, not once did I hear that number mentioned by the other side. Not once did they even mention that this bill would cover 33 million Americans who would otherwise be without health insurance. They must hear the same stories at home. It is not that in Republican States there are no bankruptcies and no deaths because people are uninsured and no misery, no tragedy. They just come to this floor and don't bother to count that side of the equation.

Another number out of the report is that if you took just the savings side, the net savings from the Medicare-Medicaid growth trend and class proposals in the bill are estimated to total about $564 billion—net savings totaling $564 billion, before you get to those 33 million. When you cover them, that is how it gets to that $224 billion. If you do rough math, and if you have 33 million Americans and they start getting coverage, say, 5 years out—so that there is 5 years of coverage in this for them—divide by $234 billion, it is about $1,500 per person per year to have those 33 million people insured.

Anybody who thinks for 1 minute about the human side of our health care tragedy cannot help but think that that would be a wise investment—for $1,500, to give somebody the security of health insurance. Of course, that assumes that this bill actually does, when it is implemented, raise costs by $234 billion.

As somebody used to say on the radio, that is not the end of the story. The end of the story takes a little bit of development. I note that the Actuary himself said that the actual future impacts of this act on health expenditures, insured status, and individual decisions, and employee behavior are ''very uncertain.''

Why? Because few precedents exist for use and estimation. Consequently, ''the estimates presented here are subject to a substantially greater degree of uncertainty than is usually the case with more routine health care proposals.''

In the conclusion, the CMS Chief Actuary reiterates that, saying:

> These findings are subject to much greater uncertainty than normal. Many of the provisions are unprecedented or have been implemented only on a smaller scale. Consequently, little historical experience is available with which to estimate the potential impact.

Where does that affect the bill? It doesn't affect it in new coverage. We know how much it costs to cover people. It doesn't affect it with expanding access to health care. We know how much that costs. Where it affects it is on the savings side.

It is not just the CMS Actuary who says that. As I will get to in a moment, that is also the conclusion of the Congressional Budget Office. They agree on this. If we are going to get something done about this health care increase, we are going to have to do something about reforming the delivery system, about taking out waste and excess costs. Those things are, by definition, hard to predict. They don't lend themselves to the actuarial prediction that the CMS Actuary does and that CBO does. But there is a big target out there. Here is President Obama's Council of Economic Advisers. They had a report out in July:

Efficiency improvements in the U.S. health care system potentially could free up resources equal to 5 percent of U.S. GDP.

It should be possible to cut total health expenditures about 30 percent without worsening outcomes . . . which would again suggest that savings on the order of 5 percent of GDP could be feasible.

Five percent of GDP is about $700 billion a year. So there is a big saving target to do something about those national health expenditures. And some groups, such as the Lewin Group, have come up with pretty good ideas of where those savings could be found. They, by the way, don't project it as $700 billion a year in excess waste and costs. They predict that it is over $1 trillion a year that we now burn up in our system through excess services, waste, and excess costs. They actually have broken out where you can find excess costs due to transactional inefficiencies, excess billing and paperwork, excess cost due to competition and regulatory factors. They don't compete. You get a couple of big insurance companies in there that take over and they are not subject to the antirust laws and make deals with each other and with the hospitals—of course, the regular person is on the short end of that deal. Excess cost from poor care management and lifestyle factors. We know care management is terrible. There is very poor coordination of care and we are investing in wellness and prevention to address lifestyle factors. Excess costs from incentives to overuse services. When you pay doctors, that is what they do. When you pay for better health care outcomes, you will get them and get them cheaper. This adds up to over $1 trillion in excess costs. It is our target. It is a real number. It is a big number.

There is a problem with how you get after the savings. A lot of people actually agree on this. I will pull a couple of sources together. We heard from the CMS Actuary, who said some of this is unprecedented and there aren't historical records to exactly extrapolate how it is going to work. Here is what Doug Elmendorf, the head of the CBO, said:

Changes in government policy have the potential to yield large reductions in both national health expenditures and Federal health care spending without harming health.

Many experts agree on some general direction in which the Government's health policy should move. Many of the specific changes that might ultimately prove most important cannot be foreseen today and could be developed only over time through experimentation and learning.

There is a potential for large reductions in costs. We agree on the general direction that needs to be pursued to achieve large reductions. But experimentation and learning are going to be necessary to do it.

There is a Professor Jonathan Gruber, probably the lead health economist—one of the leading health economists in the world, who is at the Massachusetts Institute of Technology. He said this:

My summary is, it is really hard to figure out how to bend the cost curve. But I can't think of a thing to try that they didn't try—

That is in our bill.

They really make the best effort anyone has ever made. Everything is in here. I can't think of anything I would do that they are not doing in the bill. You couldn't have done better than they are doing.

Seven hundred billion dollars to a trillion dollar target—hard to project it whether you are CBO or CMS. But we know the general directions that are required, and we have everything in this bill that we can to explore it.

Somebody has actually taken a bit of a look at this, and they admit their findings aren't as solid as a full actuarial report. But the Commonwealth Fund does a lot of work in this area. They are very good people. Here is what they conclude:

The effect of national reform on total national health expenditures and the insurance premiums that families would likely pay is this: We would save $683 billion, or more, in national health spending over the 10-year period 2010 to 2019.

Where do they go for that? To things such as administrative expenses. Remember, I pointed out the problem of administrative expense and transactional inefficiencies? Currently, nearly 13 percent of insurance premiums are accounted for by administrative costs. Things that we do in this bill can reduce that. They make a very modest estimate that administrative costs will fall 10 percent of total premiums.

The reduction in health spending associated with reduced insurer administration is $191 billion to $221 billion over 2010 to 2019. That is just making the paperwork more efficient. And it is around a $200 billion savings.

CBO also estimates some reduction in premiums from exchanges. If you take the CBO estimates, and they apply them here, they say those estimates from the exchanges yield 10-year savings of $29 billion to $34 billion. Then they look at the delivery system innovations—payment innovations, so you are paying for outcomes, not procedures, and negotiations in pharmaceutical prices. As you know, our friends across the aisle made the pharmaceutical industry immune from negotiation by the Federal Government in their last piece of legislation, Part D; comparative effectiveness studies, so you know whether something works or not before you pay for it; financial incentives for low-quality and high-cost providers to get their act together; wellness and prevention investments; demonstration and pilot projects on Medicare to pull things together, and the ongoing Medicare Commission that our colleague Senator ROCKEFELLER is such a champion of, as well as the excise tax on the high-cost insurance plans.

The exact amount to be saved from these provisions collectively is uncertain, the report admits. They look at scholarly estimates. One scholarly report estimates that significant health care reform could reduce cost increases by 1.5 percentage points annually, or more than $700 billion in the 10-year window. Another report estimates that a savings of more than 10 percent is possible, largely from payment reforms such as bundled payment systems.

A Commonwealth Fund report indicates that similar provisions would slow the annual growth in national health expenditures from 6.5 percent to 5.6 percent over the period 2010 to 2020.

So cost reductions on the order of 1.0 percentage points are realistic. To be conservative, they considered cost changes of a smaller amount, .75 percent. They concluded that the public and private savings from health system modernization are $530 billion over the 10 years. Taking account of these different factors, they say, on net, the Senate bill should reduce health care spending by $683 billion over 2010 to 2019.

Why is that? We have another very thoughtful observer of the health care scene who has offered opinions on this, and that is Dr. Atul Gawande, who has written several times in the New Yorker on this subject. He notes that:

It appears the legislation has no master plan for dealing with the problem of soaring medical costs. We crave sweeping transformations. However, all the current bill offers is those pilot programs, a battery of small-scale experiments. The strategy seems hopelessly inadequate to solve a problem of this magnitude. And yet—

He concludes, and here is the interesting thing—

history suggests otherwise.

And uses the example:

Another indispensable, but costly sector, that was strangling the country at the beginning of the 20th century, and that was agriculture.

He said:

The government never took over agriculture, but the government didn't leave it alone either. It shaped a feedback loop of experiments and learning and encouragement for farmers across the country.

Experiments and learning. Does that sound like the CBO words?

The results were beyond what anyone could have imagined. Productivity went way up, prices fell by half. Today, food is produced on no more land than was devoted to it a century ago, and with far greater variety and abundance than ever before in history.

The strategy works because United States agencies were allowed to proceed by trial and error, continually adjusting policies over time, in response not to ideology but to hard measurement of the results against social goals. The same goes for reforming the health care system . . . Nobody has found a master switch that you can flip to make the [delivery system cost] problem go away. . . . we first need to recognize that there is no technical solution.

Much like farming . . . hospitals, clinics, pharmacies, home-health agencies, drug and device suppliers. . . . They want to provide good care, but they also measure their success by the amount of revenue they take in, and, as each pursues its individual interests, the net result has been disastrous.

The system, he says, ''rewards doing more over doing right, it increases paperwork and the duplication of efforts,

and it discourages clinicians from working together for the best possible results.''

The PRESIDING OFFICER. The Senator has used 20 minutes.

Mr. WHITEHOUSE. May I have an additional 5 minutes?

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

Mr. WHITEHOUSE. Dr. Gawande continues:

Pick up the Senate health-care bill—yes, all 2,074 pages—and leaf through it. Almost half of it is devoted to programs that would test various ways to curb costs and increase quality.

Just like Professor Gruber said:

. . . I can't think of a thing to try that they didn't try. They really make the best effort anyone has ever made. Everything is in here. . . . I can't think of anything I'd do that they are not doing in the bill. You couldn't have done better than they are doing.

Dr. Gawande continues:

The bill is a hodgepodge. And it should be. Which of these programs will work? We can't know. That's why the Congressional Budget Office doesn't credit any of them with substantial savings. . . . But we should not lose faith.

He concludes:

. . . there's no piece of legislation that will have all the answers. . . . But if we're willing to accept an arduous, messy, and continuous process we can come to grips with a problem even of this immensity. We've done it before.

So when the other side comes to the table and argues that this bill is a cost disaster, a nightmare, and all the things they are saying, I urge people to consider two things. First is that they have been pretty clear that they do not want a bill at all, ever, any bill, none. Their desire to deny our new President this victory is an ulterior goal they have declared. Senators have said they want it to be his Waterloo. They have said: It is our goal to break him, to break his momentum.

So when they say start over, it is a little hard to believe it. If they were candid, they would say: No, stop dead and leave things just the way they are. Obviously, they could not say that because America would not get behind that. So they have come up in the last few days with this ''start over'' theory.

When you look at what their political purpose is, to break President Obama, to break his momentum, to stop any health care bill from happening, it is worth considering their protestations on the floor in that light.

The other light in considering them is in this one: If we are going to save significant money by making the delivery system more efficient, all experts agree you cannot cost it out in advance. The actuaries cannot figure it out. But the tools we need to make it happen, the intent of the Obama administration to make it happen is in there.

The savings target is between $700 billion and over $1 trillion a year. When we achieve those savings, we are improving the quality of health care. It is less duplicative, it is less wasteful, it is less paperwork, and the quality goes up.

A perfect example is the famous Keystone Project in Michigan where they practically eliminated hospital-acquired infections in intensive care units in a number of hospitals in Michigan. In 15 months, they saved 1,500 lives and $150 million. When they started that project, could an actuary have predicted that would happen? No, never. Never. And at the beginning of the agricultural revolution, when agricultural extension agents first went out and we modernized the American agricultural center, could they have predicted what Dr. Gawande reported? No, they could not. You cannot predict it, but this President can direct it. He can make it happen. We will give him the tools.

For those who are concerned about cost, there is very significant grounds for optimism about what happens in this bill. If we don't do it this way with those delivery system reforms, we are going to be left with a bloody toolbox, cutting people off, throwing them off, chopping the benefits, paying providers less. It will be to health care reform what a Civil War surgeon's toolbox was to modern medicine—saws, knives, cauterizing irons, and the patients screaming. It does not have to be that way. There is a better way, and it is in the bill.

I thank the distinguished Senator for yielding me the extra time. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. BURR. Mr. President, I ask unanimous consent to speak for 20 minutes.

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

Mr. BURR. Mr. President, as my colleague finished, he made the statement, ''when the other side comes to the table.'' Let me just say at the beginning, we have been asking to be invited to the table since the beginning of this debate. Unfortunately, we don't know where the table is. We have never been invited, and we hope before this is over we will have an opportunity to provide input into a health care bill that affects 300 million Americans.

But on this rare session, as I have heard it described, of a Sunday session of the Senate where I know the Presiding Officer of the Senate has sat in the chair for quite a while now, I am reminded of one of our colleagues, the Senator from Oklahoma, the doctor, TOM COBURN, whose mother passed away on Sunday. Sometime this weekend there is a service.

I know my colleagues join me in saying to TOM that our hearts and our prayers go out to him and to his family. My mother died in between the time I was elected to the Senate but before I was actually sworn in. She was able to see me win, but she didn't live to see me sworn in to the Senate.

I know how traumatic the loss of a parent can be. I remember, in my case, how quickly you focus on the fact that mothers have an incredible gift given to them by God—the gift of birthing children, of replenishing the next generation. I remember my focus shifted from the loss of my mother to the responsibility of my children. I think as parents we had undervalued that. That was a shock to me to make me wake up and say: I have a responsibility now to make sure that I nurture, to make sure that I raise, to make sure that I educate. It fell on my wife's and my shoulders because that is the next generation of business. That is and will be the next generation of leaders locally, at the State level, and at the national level.

Parents are invaluable but so are the kids they produce and the opportunity from there on generationally to experience what is great about this country, and that is unlimited opportunity. My responsibility is not just to nurture and to raise two sons, in my case, or in TOM's case great daughters, and one is a tremendous opera singer—probably one of the most sought after in the world—but it is also to make sure we protect the opportunities we were given, to make sure that what people have fought for in wars before are recognized to preserve the opportunity of success.

I feel as though, in our position today, that is part of our responsibility. We are here to preserve the opportunity for generations—for pages, for children, for our own kids.

So it does hurt on a rare Sunday session to have come in during one of the most difficult economic crisis periods in our country's history and watch without much thought as the Senate passed a spending bill that had a 12-percent increase from last year, something no family can do right now, something that no individual can do.

We will borrow 43 cents of every dollar that we just spent in that bill. There is no family in the world who can go into a bank today and say: I would like to borrow 43 cents on every dollar. I would like to go out and buy this big-screen TV. I don't need it, but I want it.

There are some things in this bill we need. But there is a lot in this bill we just want—over 5,000 earmarks. Members of Congress actually, at a time that we should be prioritizing our spending in this country, not only did we raise it 12 percent over last year, but we had the audacity to stick 5,244 earmarks in this bill because we can do that, because somebody asked us.

The truth is, families cannot, communities cannot, most States cannot. They have laws against it. They have to balance their budgets. Families have to balance their budgets or they file for bankruptcy. Communities have to balance their budgets and try to meet the core responsibilities of providing services to their communities. There is a choice when they do it: Do we overtax a community through property taxes or do we prioritize on what we spend our money?

We never prioritize in this institution anymore. We believe we can spend

as much as we possibly want to, and that is evidenced by 5,244 earmarks. The fact is, we just spent $3.9 billion that was not even in the bill originally when the appropriators received their caps.

I am sure the community needed their park, and I am sure that the community needed the study or the service that each one of those 5,244 earmarks represent. But let me ask this: If they need it that badly, couldn't they fund it themselves? Let me say it again.

If they need it that badly, couldn't they fund it themselves?

Why were earmarks created? It is a way to get somebody else to pay for something you want, not necessarily what you need.

Let me say to you, Mr. President, and my colleagues, to everybody listening: We are broke. We borrow 43 cents of every dollar we spend in the Federal Government right now. The 10-year projection says we are going to increase the debt in the next 10 years more than we did under the previous 43 Presidents.

What else do we need to hear to stop spending? It just continues to roll on and on.

You know what. We are going to get another opportunity next week to spend money we don't have. We are going to get an opportunity to raise the debt ceiling, something that for the 15 years I have been here was a big debate: How much do we need? When do we do it? It was a tool that we used to force us to prioritize. We are going to stick a $1.8 trillion debt ceiling increase into a Defense appropriations bill so that everybody feels guilty about voting against it if they do—and I will, for the first time, because I believe it is wrong. I believe it is wrong, and it should not be done.

Let me just say this: Sometimes you have to say no. As my children grew up, the toughest thing was to look at those kids and say no. I want this. What do you want for Christmas? I want this. No.

When I started work, I was always told in sales: The toughest thing you are ever going to have to do is say no.

I will buy it from you, but I will only pay this much. No.

We are at that point where the American people have said prioritize. We have to look at communities, we have to look at States, and we have to have guts enough to say no.

Wealth is not created by government. Wealth is not created by States. But government steals wealth when the opportunity is available.

Communities will grow, and they will be healthy, and States will grow and they will be healthy but only through local success. It does not come through handouts from the Federal Government. All that does is give us a false sense of security and a false sense of a bank account.

In the midst of all this, as we passed this huge spending bill, a 12-percent increase, we are debating health care. We are debating a $2.5 trillion health care bill that steals $464 billion from Medicare.

I talked about the transition I went through from the loss of a parent to the focus of children, and now all of a sudden I am back to stealing from my parents. As an institution, we are getting ready to steal $464 billion from Medicare, and people up here don't seem worried about it. My dad and possibly your dad and your mother have been paying into it their entire lives and were promised it would always be there.

I am going to tell you a little secret today: Medicare is underfunded by $34 trillion. That is trillion, with a ''t.'' You know the most popular bumper sticker around today is: Don't tell Congress what comes after a trillion. So Medicare is underfunded by $34 trillion. That is not a guess by an actuary, that is a real number. The Medicare board says it is insolvent in 2017—8 years from now. What are we doing? We are stealing $464 billion out of it.

I have heard people come to the floor and say they will never miss it. It would not affect a benefit. It would not affect a service. It would not affect a facility, a hospital. Now, all of a sudden over this weekend, we have been presented with news stories that suggest—because nobody has seen a bill, including many Democrats—there may be a deal that expands Medicare to include the 55-to-64-year-old age group—potentially, 20-plus million people. I have heard other people say it is only going to be 2 million or so. I guess it will be crafted in a way that it will leave some out and put some in. I am not sure how you do that. I thought the purpose of the Federal Government was to be fair and equitable to all. But maybe this will be crafted in a way that we let 2 million 55-to-64-year-olds in and we leave the other 18 million-plus out.

Anyway, my good friend from Rhode Island talked about the CMS Actuary and what he had to say. I wasn't prepared to come today and read every editorial out of the Wall Street Journal, but had I done so, I think they would have rebutted most of what my colleague said. But let me just read a couple quotes from the Actuary—the same one Senator WHITEHOUSE talked about.

This report says:

> The Reid bill is especially likely to result in providers being unwilling to treat Medicare and Medicaid patients.

'' . . . unwilling to treat Medicare and Medicaid patients.'' In other words, not stealing the $464 billion—well, yes, stealing the $464 billion is going to generate less interest by providers to see patients. There is only 60 percent of the doctors today seeing Medicaid patients. There is about 74 percent seeing Medicare patients.

So if you like your health insurance, you can keep your doctor, you can keep your plan. Well, that is out the window basically, based upon what the CMS Actuary said. The Actuary noted:

> The Medicare cuts in the bill could jeopardize Medicare beneficiaries' access to care.

Keep in mind, this is the President's person. Medicare cuts in the bill could jeopardize Medicare beneficiaries' access to care. He also found that roughly 20 percent of all Part A providers, which are hospitals and nursing homes—two things additionally that we specifically cut, hospitals and nursing homes—would become unprofitable within the next 10 years as a result of these cuts.

Well, my take as a businessman, not a lawyer, is that when an entity is unprofitable, they go out of business. When there is not enough revenue to meet your expenses, you close your door. So in essence, what the CMS Actuary noted in this was that hospitals and nursing homes would shut their doors. They would close. That is why Senator CONRAD and others and me, who represent rural parts of the country, have tried to say to my colleagues: Pass that bill, and you eliminate rural hospitals. You eliminate the ability to provide preventative care in rural America.

When a woman in rural America gets pregnant, there will not be prenatal care there. She will have to drive 60 miles to get the prenatal care she needs, and she will never do that. But she will drive 60 miles to deliver that baby who will end up in the NIC unit, probably for weeks, because she didn't have the proper prenatal care. We will spend hundreds of thousands of dollars to treat that baby when we could have kept that local facility open to provide the level of preventative care she needed. But, no, in this it says 20 percent—20 percent—of our country's hospitals and nursing homes will close if we pass the Reid bill.

The Actuary also found that further reductions in Medicare growth rates through the actions of the Independent Medicare Advisory Board—now, this is important, because this is what they always point to, that the Medicare Advisory Board is going to do this. The Independent Medicare Advisory Board, which advocates have pointed to as an essential linchpin in reducing health care spending—may be difficult to achieve, in practice.

In laymen's terms: They ain't gonna do it. So the independent Medicare advisory board, the CMS Actuary says it is not going to happen. Gees, how can we take the same Actuary's report and get such a different view of what the results of this bill are between me and the last speaker?

The Actuary says:

> The Reid bill would cut payments to Medicare Advantage plans by approximately $110 billion over 10 years, resulting in less generous benefit packages and decreasing enrollment in Medicare Advantage plans by 33 percent.

Like your insurance? You get to keep it. No. Like your doctor? You get to keep him. No. Like your hospital? You get to keep it. Not if it closes. Like your nursing home? You get to keep it.

No. The Actuary says 20 percent of them are going to go out of business. They would not be in business.

As a matter of fact, the Reid bill funds $903 billion in new Federal spending by relying on Medicare cuts. As a result, the actuary says:

Providers could find it difficult to remain profitable, and absent legislative intervention might end their participation in the Medicare program, possibly jeopardizing access to care for beneficiaries.

Well, now we have eliminated the hospital, we have eliminated the nursing home, we have eliminated Medicare Advantage, and now the Actuary says the doctors, because of what we are doing, may opt out of the system.

The majority whip came to the floor earlier, and he said the Republicans will not offer a plan. For the record, and for the 100th time, TOM COBURN and I introduced comprehensive health care legislation in May. We were the first Members of Congress, House or Senate, to introduce comprehensive health care legislation. I am not sure how many times I can come to the floor and say that. TOM and I have come down and spoken hour after hour and given descriptions of what our plan does.

We don't expect it to be adopted. It has some good things in it. We would love to have some input into whatever the legislation is going to do. But make no mistake about it, just because you stick your head in a hole and do not see anything else out there doesn't mean it is not there. To come to the floor and claim that no Republicans have offered a legislative remedy to health care is to stick your head in a hole and say: I am not going to look; therefore, nothing exists.

I know I am coming to the end, and I see the ranking member of the Finance Committee wants to speak.

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. BURR. My good friend from Rhode Island said—I wrote it—''Actuaries can't cost it out.'' He said before he left the floor: ''Actuaries can't cost it out.'' Well, he may or may not be right. I can tell you this: The American people can cost it out, and the American people have said no—no to passage of this Reid health care bill. We should listen to the American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we keep hearing about all the tax cuts that are in this 2,074-page bill. Earlier today, I heard the distinguished senior Senator from Illinois say this, after Senator KYL was done speaking, and I am reading from the transcript.

First, this bill has $441 billion in tax cuts in the first 10 years for average people trying to pay their health insurance premiums. I don't know if the Senator from Arizona—

There he means Senator KYL—

thinks that is a good idea or not. He has never spoken to that at least that I have heard. I think it is a good idea. If you are making less than $80,000 a year, I want to make sure you have insurance, and this bill wants to make sure we give you a helping hand. It is a tax cut.

First of all, when you have a tax credit or subsidy for buying insurance, the Joint Committee on Taxation describes 73 percent of that as outlays, 27 percent as tax reductions. So to call $441 billion a tax cut is completely contrary to the way scorekeepers for the Congress keep track of things.

The second thing I noticed, in talking about helping people earning $80,000 a year or so—and I heard another Senator speak frankly about tax increases for people at $75,000—is that there seems to be an effort to define down what the middle class is, from the way the President of the United States described it during his campaign—individuals under $200,000 and families under $250,000 being the middle class.

Well, I wish to go into some detail about this because I have had an opportunity to speak on this point and I think other Members have as well and somehow we don't seem to get through to our friends on the other side of the aisle who have consistently stated that the Reid bill, according to the Joint Committee on Taxation, is a net tax cut—and emphasis upon the word ''net.''

Yesterday, this chart was used to illustrate this point—a chart the other side was using to illustrate that point. This chart I am referring to has multiple bars with dollar figures. For example, in 2019 we see here a figure of $40.8 billion net tax cut. My Democratic friends said this number came from the Joint Committee on Taxation. Unfortunately, the chart my friends were using at that time is not entirely clear on how they came up with this net tax cut, so that is what I want to bring to the attention of my colleagues. It was quite natural for most to wonder how that number came about, so they said: Show me the data.

To clear up any confusion, here is the Joint Committee on Taxation table the Democrats relied on to claim that the Reid bill results in a net tax cut. Do you see here this negative figure of $40,786 million? Of course, negative, that minus mark there. My friends on the other side, unfortunately, do not explain what is going on. Instead, it appears the other side simply made an assertion that they hope many of us, and those in the media, would believe. I am not going to let my friends on the other side of the aisle get away with this because the entire story is not being told. So let me take a moment to explain.

First, in simplest terms, where you see the negative number on this chart, the Joint Committee on Taxation is telling us there is some type of tax benefit going to the taxpayers. For example, families making between $50,000 and $75,000 you can see have a negative $10,489 number in their column. This means the Joint Committee on Taxation is telling us that this income category is receiving $10.4 billion in tax benefits. But I need to have you listen more closely because when we see a negative number on this chart, the Joint Committee tells us there is a tax benefit. So, conversely, where we see positive numbers, in these areas here, where you see positive numbers, the Joint Committee on Taxation is telling us these taxpayers are seeing a tax increase.

I have actually enlarged those numbers of tax returns and the dollar amounts where there is a positive number for individuals and families—once again, right in here. These positive numbers indicate a tax increase.

My friends have said that all tax returns on this chart are receiving a net tax cut. If this were so, why are there not negative numbers next to all the dollars on this chart? Because not everyone on this chart is receiving a tax cut, despite what has been said, including just within the last hour. Quite to the contrary, a number of taxpayers are clearly seeing a tax increase. This group of taxpayers is middle-income taxpayers.

I didn't come down to the floor to say my friends on the other side are wrong. After all, you can see the negative numbers quite frequently on the chart. After all, you see this negative number, $40,800 million. What I am doing is clarifying that my friends on the other side cannot spread this $40.8 billion tax cut across all of the affected taxpayers on this chart and then say all have received a tax cut. Why? Because this chart produced by the Joint Committee on Taxation shows that taxes go up for individuals making more than $50,000 and families making more than $75,000. It is right here on these yellow figures. Numbers do not lie.

Of course, people who inhabit the Joint Committee on Taxation are professional people who do not have a political agenda, and they tell it like it is. That is what they are hired for. That is why there are the same people around whether you have a Democratic or Republican majority in the Congress.

I would like to give you my read on what the Joint Committee on Taxation is saying here with these figures.

First, there is a group of low- and middle-income taxpayers who clearly benefit under the government subsidy for health insurance. This group, however, is relatively small.

There is another, much larger group of middle-income taxpayers who are seeing their taxes go up for one or a combination of the following tax increases: the high-cost plan tax, the medical expense deduction limitation, and the Medicare payroll tax increase. In general, this group is not benefiting from the government subsidy. After all, how can taxpayers see a tax cut if they are not even eligible for a subsidy?

Also, there is an additional group of taxpayers who would be affected by other tax increase provisions in the Reid bill that the Joint Committee on

Taxation could not distribute as other things in the bill are distributed on this chart. These undistributed tax increases include things such as putting a cap on the flexible savings accounts. There has never been a cap. So when you cap it at $2,500 and people cannot put in more than $2,500 under this 2074-page bill, that is a tax increase for those people who had higher expenses and wanted to put that money in a flexible savings account.

Then also there is a tax that is not accounted for here on cosmetic surgery. My friend from Idaho, Senator CRAPO, whose amendment is pending before the Senate, recently received a letter from the Joint Committee on Taxation stating that this additional group exists and many in this group make less than $250,000 a year.

My friends on the other side of the aisle cannot, No. 1, say that all taxpayers receive a tax cut and, No. 2, say that middle-income Americans will not see a tax increase under the Reid bill as promised by the President in the last campaign.

I yield the floor.

ADDITIONAL COSPONSORS

AMENDMENT NO. 3172

At the request of Mr. BROWN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of amendment No. 3172 intended to be proposed to H.R. 3590, a bill to amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

ORDERS FOR MONDAY, DECEMBER 14, 2009

Mr. UDALL of Colorado. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 2 p.m., Monday, December 14; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each, with the Republicans controlling the first 30 minutes, and the majority controlling the next 30 minutes.

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

ADJOURNMENT UNTIL 2 P.M. TOMORROW

Mr. UDALL of Colorado. If there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 5:01 p.m., adjourned until Monday, December 14, 2009, at 2 p.m.