

Mr. WARNER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Mr. President, following leader remarks, the Senate will proceed to a period of morning business, with Senators allowed to speak for up to 10 minutes each. The Republicans will control the first 30 minutes, the majority will control the next 30 minutes. We are still working on an agreement to line up votes that have been the subject of competing agreements with respect to the health care reform legislation. Pending is a Crapo motion, with a Baucus side-by-side on taxes; and a Dorgan amendment, with a Lautenberg alternative. So we have four amendments on which we need to try to work something out. That is not done yet, but as soon as it is worked out we will notify Senators of any scheduled votes.

HEALTH CARE REFORM

Mr. REID. Mr. President, every day we do not act, it gets more expensive to stay healthy in America.

If you are fortunate enough to have health insurance, this is not news to you. You have no doubt noticed your premiums have more than doubled in the last decade, even though the quality of your health care has not doubled—and that is an understatement.

If you are fortunate enough to have coverage, you might have noticed that you are paying at least an extra \$1,000 a year to cover all of the other families who do not have health insurance.

Those with insurance know when premiums eat up a larger slice of their paychecks, they have less money to take home to their families. Those without insurance know the pain of skipping medicine or treatments or doctors visits because it simply costs too much to go to the doctor. Economists tell us if we do nothing, those costs will continue to climb and to climb. The economists tell us that without question, if we do not do something, the costs will continue to increase.

Very recently, the President's Council of Economic Advisers has crunched the numbers, and this respected group tells us the bill before the Senate will indeed keep health care costs down.

Lower costs are good for every American. It means more people who do not have insurance today will be able to afford it, and those who do have insurance will have more stability and security against losing it.

The White House's economists highlighted a number of other impressive

effects of our bill. The amount our government spends on Medicare for our seniors and Medicaid for the underprivileged will be much less than if we do not act. Our Nation's deficit will be much lower than if we did not act. Health care costs in the private sector will be much lower than they would be if we did not act. And with this bill, American families' incomes will increase more than they would if we did not act. The same is true for job creation, small business growth, and our overall economy.

After all, health reform is economic reform. When you are not spending so much of your paycheck on premiums, you have more left to feed your family and to fuel our economy.

We also know a healthier workforce is a more productive workforce, and a more productive workforce means a healthier economy. Those are pretty good reasons to act and a pretty strong rebuttal against the strategy of doing nothing. This data proves once again what we have said from the start: this bill will save lives, save money, and save Medicare.

That is the reality, and that is why we are working to make it possible for every American to afford a shot at a healthy life. It is a goal that will make our economy stronger and make our citizens healthier. It is a goal with an eye to the future, to our children, one that appreciates the long-term effects of what we do.

The other side has a goal of its own—one that not only ignores the reality of the present but dismisses both the long-term benefits of acting and the long-term costs of doing nothing. Whereas we are working to slow the growth of health care costs, they are working to slow down the Senate. In fact, they would like to bring this body to a screeching halt.

But we will not let talking points meant to scare seniors and frighten families obscure the hard data that show just how unhealthy our health care system is. We will not be derailed by those who spend more time hoping for America's leaders to fail than they do helping the American people succeed. We will not be sidetracked by those who try to stop history in its tracks.

Mr. President, would the Chair now announce morning business.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business, with Senators permitted to speak for up to 10 minutes each, with the Republicans controlling the first 30 minutes and the majority controlling the next 30 minutes.

The Senator from Tennessee.

ORDER OF PROCEDURE

Mr. CORKER. Mr. President, I ask unanimous consent that the Republicans be allowed to speak as a group over the next 30 minutes.

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

Mr. CORKER. Mr. President, I thank you.

HEALTH CARE REFORM

Mr. CORKER. Mr. President, I rise today to speak about the health care bill that is before us. One of the major points of contention over the last 2 weeks has been the fact that Medicare savings are being utilized to leverage an entirely different entitlement and not even taking care of the SGR issue that is so important to physicians around our country.

The other important stat is the fact that half of the expansion in health care benefits that is occurring under this bill is under Medicaid, probably the worst health care program in America. After a year of discussions among many folks on a bipartisan basis, and ending up with a very partisan bill, the fact that half of the expansion is occurring in one of the worst programs that exist in our country, locking people at 133 percent of poverty into Medicaid, with no other choice, does not seem to me to be true health care reform.

I know the Senator from New Hampshire, who has spoken eloquently on this issue, has something to say about that.

Mr. GREGG. I thank the Senator from Tennessee for opening this discussion on the issue of Medicaid. But I did want to ask a couple questions relative to what the Senate leader just said about the bill that is before us.

We have to remember the bill that is before us—all 2,074 pages, as I understand it—is not the bill we are going to actually consider. There is somewhere in this building a hidden bill, known as a managers' amendment, which is being drafted by one or two or three people on the other side of the aisle, and which is going to appear deus ex machina on our desks fairly soon. We do not know what is in it. A lot of the people on the other side do not know what is in it. The press does not know what is in it. The American people do not know what is in it.

Mr. CORKER. The President does not know what is in it.

Mr. GREGG. The President does not know what is in it. Nobody knows what is in it. But they are designing this bill, which is going to be represented to expand Medicaid even further and to also offer the ability to people age 55 and over to buy into Medicare, which is going to have a huge impact.

But what the Senator from Nevada said, which I want to ask the Senator

from Tennessee about, is, he said this bill before us—this 2,074-page bill, which we know is what we are working off of—is going to reduce health care costs.

Is it not true that the President's Actuary—the Actuary for CMS, who is the President's Actuary—sent us a letter last week which said that health care costs in the first 10 years would go up by \$235 billion?

The majority leader also said people will be able to keep their insurance. Is it not true that the President's Actuary said millions of people will lose their own insurance under this bill?

Further, is it not true, in the area of Medicare, that the President's Actuary actually said that the expansion in Medicare and the Medicare cuts in this bill that are before us in the Democratic bill would actually lead to a massive reduction in the number of providers for Medicare; that up to 20 percent of the providers in Medicare would become unprofitable and therefore they would have to leave Medicare, making Medicare unavailable to people because there would be no recipient?

Didn't the Actuary also say, in the area of Medicaid—and I am quoting—"it is reasonable to expect that a significant portion of the increased demand for Medicaid would" be difficult to meet, particularly in the first few years, and that is because providers would no longer be profitable and would have to leave the business of providing—doctors groups, hospitals, small clinics?

Are not all those three points true relative to what the President's Actuary has told us—not us, not the Republican side but what the President's Actuary said? And don't all three points contradict the representations of the majority leader?

Mr. CORKER. Not just his representations, but the representations of the President of the United States. As a matter of fact, it is hard to understand any goal that is being achieved other than making sure our country has a huge indebtedness.

But the senior Senator from Tennessee has talked about this very subject the Senator is talking about—about Medicaid, in essence, giving people a bus ticket, where there is no bus because of the fact that if we add these people to a system where 40 percent of physicians do not take it, 50 percent of specialists do not take it, in essence, you have people accessing a system where there are not providers to care for them.

I do not know if the senior Senator from Tennessee wants to expand on that.

Mr. ALEXANDER. I thank Senator CORKER from Tennessee.

We have our usual situation on the Republican side—a lot of Senators who wish to speak on the subject of Medicaid—so I am going to keep my remarks brief. But looking around I see one, two, three, four of us who have

been Governors of a State. The Acting President pro tempore was the Governor of the State of Virginia. Senator CORKER, himself, was mayor of Chattanooga and the chief operating officer of the Tennessee State government.

Why do I bring that up? Because the Medicaid Program we are discussing—I know to many people listening to this debate, it gets confusing. Medicare is the program for seniors on which 40 million to 45 million people depend. We have talked about that a lot, and how the cuts to Medicare are going to be used to pay for this bill. But we have not talked as much about Medicaid, which is an even larger government program. Sixty million people depend on Medicaid, and they must be low-income people in order to qualify for the program. This bill would add 15 million more Americans to the Medicaid Program which, as Senator CORKER said, is like giving someone a bus ticket to a bus line that only operates half the time, because about 50 percent of the time, doctors will not see new Medicaid patients.

But there is another problem with the Medicaid proposal, which all of the Governors here—I know if they are like me, nothing made me any angrier than to see a bunch of Washington politicians come up with a big idea, announce it, take credit for it, and then send me the bill when I was Governor. Usually we would find them back at the Lincoln Day Dinner or the Jackson Day Dinner the next spring making a big speech about local control. Well, what happens here is a huge bill for this Medicaid expansion that is going to be sent to the States.

I would say to Senator CORKER, hasn't our Governor, a Democratic Governor, Governor Bredesen—who like all of us has struggled with paying for Medicaid—has he not said this will cause about \$750 million in added expense? I would ask the Senator from Tennessee, wouldn't that require either big cuts to higher education or big tax increases to pay for it?

Mr. CORKER. As you pointed out, in California there was almost an insurrection among students there because of the high cost of tuition, because of the fact that other programs in the State were eating up money. It is the same kind of thing that is going to happen in States across this country. Our Governor, who is a Democrat and who probably knows as much about health care as anybody in the country, is very concerned about what this is going to do—hoping, by the way, that revenues in our State reach 2008 levels by the year 2013. So he is very concerned.

I know Senator JOHANNS from Nebraska has been a Governor. I am sure he has some things to add to this debate.

Mr. JOHANNS. I do have some things I wish to add to this debate. I have gone across the State. I have talked to hospital administrators and I always ask them the same question: If you had

to keep your hospital open on Medicaid reimbursement, could you do that? With no exceptions whatsoever, from the largest to the smallest hospitals, they say, MIKE, we would go broke because the Medicaid reimbursement is so bad. No question about it, that is bad news for the hospitals.

But ask any Governor. It doesn't matter if they are a Democrat or a Republican—and the senior Senator from Tennessee is so right, nothing would irritate Governors more, nothing would get us in a more bipartisan furor than the politicians in Washington passing something, taking all the credit for it, and then sending the bill to the State taxpayers. I will give a speech on this to nail this down in the next couple of days.

The States have very limited options. They can raise taxes or they can cut very valuable programs such as education, K-12 education, higher education, and already States are struggling. In Nebraska we had a special session where our Governor and our legislature stood up and said, We have to cut spending, and they cut over \$300 million. Can you imagine if I were to call up later on in a couple of weeks from now and say, I know you did your very best at that special session, but we sent you another bill for millions and millions of dollars over the next 10 years that you have to deal with?

The final point I wish to make is, do my colleagues realize what we are doing to the people we will be putting on Medicaid? Already 35 to 40 percent of the physicians won't take Medicaid. Why? Because the reimbursement rates are so incredibly pitiful. So if you are at 133 percent of poverty, we basically lock you into Medicaid. It is like giving somebody a driver's license but then saying, there is no way you can ever get a car to drive, because, look, here is the problem: They can't get medical care no matter if they have that Medicaid card. What it will do to our health care system is literally bring it to its knees, because we are going to have this massive rush of people who have the Medicaid card in hand and we don't have the capacity to deal with that. The doctors, the hospitals are all going to be in trouble because of this. It is the wrong policy for a whole host of reasons.

Mr. CORKER. Mr. President, I read a story this weekend in the New York Times where Medicaid recipients, especially young Medicaid recipients, have huge prescriptions taken out on them for antipsychotic drugs because basically the physicians don't want to take the time to deal with them, and so they are huge users of them.

When we speak about physicians, I think it is always important to talk to one. Fortunately, we have one on our side, Senator BARRASSO, who I know has treated many Medicaid recipients. I know he has a lot to say on this topic.

Mr. BARRASSO. I have a couple of points I wish to add because I think you made a point, as does Senator

JOHANNS. The concern is are there going to be enough doctors to take care of these patients. We are talking about 18 million more people placed on the Medicaid rolls, which is a huge unfunded mandate to the States. Having practiced in Wyoming for 25 years, in Casper, taking care of families, taking care of lots of patients on Medicaid, it becomes harder and harder for doctors to take new patients.

There is an article in this week's Wyoming Tribune Eagle: Doctor Shortage Will Worsen. As many as a third of today's practicing physicians will retire by the time all of these additional 18 million get on to Medicaid.

There is an article in the Wall Street Journal and it talks about a report from a research group, nonprofit, based in Washington, the Center for Studying Health System Change, and it says, as the Senator has previously stated:

Nearly half of all the doctors polled said that they had stopped accepting or limited the number of new Medicaid patients. That is because many Medicaid programs, straining under surging costs, are balancing their budgets by freezing or reducing payments to doctors. That, in turn, is driving many doctors, particularly specialists, out of the program.

For people in Wyoming, whether in Cokeville or Kemmerer or Casper, in all of these communities we are looking to try to recruit physicians. It is making it much more difficult when we look at this health care proposal the Democrats have, which is going to raise taxes, cut Medicare, cause premiums to go up for people who have insurance, and one of the reasons is because it underpays so much for things such as Medicaid. Yet they are talking about putting another 18 million people on Medicaid.

This morning I called one of the offices of a physician group in Wyoming and said, What are the differences in terms of Medicaid versus regular insurance? For something like carpal tunnel, we know about overuse of the wrist and carpal tunnel surgery where the normal fee is about \$2,000 for the surgery. Medicaid itself reimburses less than \$500. Medicare—they are talking about putting a lot more people on Medicare—reimburses less than \$400.

It is very difficult if you are trying to run an office and you pay all of the overhead expenses and see everybody who wants to see you to do it on the fees alone that you get from Medicare or Medicaid. That is why I have great concerns. If we have all these people on Medicaid, will it actually help them get care?

I think this Democratic proposal we are looking at fails. It fails in terms of getting costs under control. It fails in terms of increasing quality or increasing access, but those are the things we need in health care reform.

I see my colleague from Florida is here, who has experience, having run a Governor's office as Chief of Staff. He may want to add to this discussion as well. I can't see any way this would be sustainable. As a matter of fact, a re-

port that came out recently from the CMS, the group that oversees all of this, said it is not sustainable, that one out of five hospitals by the year 2020 and one out of five doctor groups will basically have to go out of business and close their doors.

Mr. CORKER. Mr. President, it is pretty amazing when you think about it. We have a 2,074-page bill that includes the largest expansion of Medicaid in the history of the program. It would take about 1 page of that 2,074 pages to expand Medicaid and do no reform, and yet that is where 50 percent of the expansion is taking place. Yet, the 2,073 pages remaining don't meet many goals that many—any goals, really, other than access—any goals that Americans would stand behind.

I know the Senator from Florida, who has spent a lot of time on this issue, wants to speak on this topic.

Mr. LEMIEUX. I thank my colleague from Tennessee. I didn't have the honor to be a Governor but I got to sit in the office next door to be the Governor's Chief of Staff. We had these issues of trying to balance budgets because, unlike the Federal Government which is out of control, States actually have to balance their budgets. Receipts have to meet expenditures. When your Medicaid budget grows and grows and grows—and in Florida, \$18 billion is what we pay in Medicaid. It is the largest expenditure in the Florida State budget. When it grows and grows and grows, what happens? You have to cut education. You have to cut public service programs that do things such as law enforcement, correctional facilities that hold prisoners. You hurt the other main functions of government if you keep adding in Medicaid.

I wish to highlight a point my colleague from Tennessee made. It occurred to me when I was going through the Chief Actuary's report we received last Friday from the Center for Medicaid and Medicare Services that this plan the Democrats have put forward is the expansion of Medicaid. Let's be honest. This is Medicaid for the masses. Thirty-three million people supposedly are going to be covered by this plan if it is implemented. How do those numbers add up? Eighteen million are Medicaid, 20 million go into this new exchange, and then we lose 5 million because their employer drops them because they can go into the exchange. So what are the majority of the people who are going to go under this new health care reform going to get? They are going to get the worst health care system in America, called Medicaid, a system where doctors won't participate. If the doctor is not in, it is not health care reform.

This is not all it is cracked up to be. I did a little back-of-the-envelope math: \$2½ trillion to put 18 million people into Medicaid. We could give all of those people \$166,000 each, put it into an account and say: Here, fund your health care for the next 10 years or we could create this huge government pro-

gram that expands a program that most doctors won't accept.

My colleague Dr. BARRASSO has it right. Forty percent of the doctors won't take Medicaid, and 50 percent of the specialists. How is this health care reform?

I know my colleagues here have a lot of experience on this issue. I see my colleague from Mississippi and it looks as though he has a great chart and is going to talk about increased Medicaid spending, so I am sure he has something great to say to us.

Mr. WICKER. Yes, and I appreciate so many of our colleagues being here today because I am glad we are getting into the Medicaid aspect of this bill. There has sort of been a feeling around this building the last couple of days that if we could only take care of the Medicare buy-in and the government-run option this bill would be OK. So I think today we are bursting that myth and pointing out the huge unfunded mandate the Medicaid portion would put on almost all the States.

Every State in red as shown on this chart would be required under this bill to increase their Medicaid spending. Only Vermont and Massachusetts would not have to be mandated by us in Washington to do this additional spending. Of course, with the unfunded mandate, what the Federal Government is saying is, We think this is a great idea. We think people should be covered with additional Medicaid Programs and, by the way, you folks at the State level should come up with the funds to pay for it. That is the very nature of an unfunded mandate.

I am not a Governor nor have I been a Chief of Staff of a Governor, but I have a letter from my Governor, Gov. Haley Barbour, who says:

If the current bill, which would expand Medicaid up to 133 percent, were enacted into law, the number of Mississippians on Medicaid would increase to 1,037,000, or one in three of our citizens. Over 10 years this bill would cost Mississippi's taxpayers \$1.3 billion—

The generosity of this Congress would be to tell the legislators and taxpayers of my State of Mississippi: Congratulations. We get more coverage and, by the way, you have to pay an additional \$1.3 billion—necessarily requiring Mississippi to raise taxes in order to continue vital programs such as education and public safety.

As has been pointed out, our State governments don't have a printing press. They have to balance the budget and make the numbers come out at the end of every year. We are putting a new burden, if we pass this legislation unamended, a tremendous burden on our Governors.

One other comment. There has been mention of the Governor of Tennessee who is a two-term, respected Democrat who knows a little something about health care. I think the actual quote last summer from Gov. Phil Bredesen was that he feared "Congress was about to bestow the mother of all unfunded mandates on the State of Tennessee."

I have here in my hand—and we don't have time because we have so many

people who want to speak—I have 13 quotes, not from Republican Governors such as Gov. Haley Barbour of Mississippi, but Democratic Governors all across this Nation, including the newly elected Democratic Governor's Association chairman, Gov. Jack Markell, and 12 others saying, we cannot afford, we cannot accept, we cannot bear at the State level this unfunded mandate upon this number of States.

Mr. CORKER. I thank the Senator. That was very good. I am hearing some comments about there being a wink and a nod process taking place which is sort of what we have happening right now with the bill. We don't know what is in it, but I understand there may have been a tilt by leaders of the Democratic Party to say to Governors: If you won't raise much Cain here, we are going to take care of you down the road on this issue. I don't know if I would trust something like that to happen in this body but—

Mr. WICKER. Here is the problem there. If they take care of the Governors down the road by saying we are going to send the money from Washington to cover this, then all of this talk about the program cutting costs at the Federal level goes out the window. Something is going to have to pay for it. Either we are going to have to gin up the printing press here, borrow some more money from China and send it to the States, which I guess is what the Senator was referring to, or we are going to pass the unfunded mandate on to the taxpayers of 48 of our States.

Mr. CORKER. So many Senators, so much participation, so little time. I think there is about 6 minutes left. The distinguished Senator from Utah has not yet spoken. The distinguished Senator from Idaho—a former Governor—has not yet spoken. I wondered if the senior Senator from Utah might close us out in the remaining time, just to bring this all to a climactic conclusion.

Mr. HATCH. Mr. President, I appreciate the comments of my colleagues. They are right-on. They know what they are talking about regarding the Medicaid program.

If this bill becomes law, the CBO estimates that by the year 2019, 54 million nonelderly, nondisabled Americans will be locked into Medicaid. Think about that.

Americans with incomes below 133 percent of the Federal poverty level are not eligible for tax credits to purchase private coverage through the exchange.

I will take a few minutes to read part of a letter I received from our Governor in Utah, Gary Herbert—who worked at almost every job from local government right up to Governor of the State—about the Medicaid expansion included in the Reid bill. My Governor is deeply concerned about the impact the proposed Medicaid expansion would have on individual States. Here is what he said:

In Utah, we have a good system of public medical programs that provide for our neediest population.

The extension of Medicaid to additional populations, as discussed in proposed Federal healthcare legislation, will amount to an unfunded mandate that would create financial havoc for our state.

While I understand the idea that everyone must "share in the pain," and appreciate the Administration's commitment to reforming healthcare without increasing the size of the federal deficit, to force Medicaid cost increases onto states will simply shift massive cost increases to the states.

As we prepare the state's fiscal year 2011 budget, we face continued cuts to agency budgets and reduced government service on top of painful reductions made last year. The unfunded mandate of a forced Medicaid expansion will only exacerbate an already dire situation.

If required to increase our Medicaid program as envisioned in Washington, Utah and most every other state will be forced to fund the money to do so through other means. This will require states to either raise taxes or continue to cut budgets in areas currently suffering from a lack of funding, such as public and higher education. We must work together to ensure that no new requirements for states to fund healthcare for additional populations pass.

In summary, I ask my colleagues, if the Reid bill is signed into law and the Medicaid expansions go into effect, what will the States do to make their budgets work? According to Utah Governor Herbert, States will be looking at a variety of options, such as cutting education programs and raising taxes. It would devastate the State, as Governor Barbour has said and as almost every Governor would say. I thought that was an important point to make.

Mr. CORKER. Mr. President, I know the Senator has been a leader in making sure people throughout this country have appropriate health care. I thank the Senator for those comments.

There is no one better to respond than a former Governor, the Senator from Idaho, JIM RISCH.

Mr. RISCH. Mr. President, first of all, let me say this raid on the States is just that. This is going to be a tax increase, and it is not included anywhere, it is not talked about anywhere. There is no way the States can deal with this except with massive tax increases or massive cuts in education.

In most States, I am sure, like Idaho, about two-thirds of the budget is spent on education, about 10 percent of it is on public safety, and you have about 20 percent that is on social services. Unless you have been a Governor, you can't understand how difficult it is to control what has become an expanding black hole in Medicaid.

The first social program this Congress came along with was Social Security. They decided they would do it, and they funded it. The second was Medicare. They decided they would do it, and they funded it. Along came Medicaid, and some genius here decided the Feds will only pay 70 percent or so and we will make the States pay 30 percent. Well, everywhere across this country, Governors are saying: Don't do this to us.

The dozen of us here who are former Governors were asked to participate in

a conference call a couple weeks ago. I listened, but I didn't talk. I didn't need to because there was great bipartisan support for killing this bill. The most vocal people were Democrats. The most vocal Governors were Democrats, who were saying we cannot tolerate this kind of an increase. That is what is going to happen under this bill.

I am sorry none of my friends from the other side of the aisle are here, with the exception of the Presiding Officer.

Could the Senator from Mississippi take the top chart off. If my friends were here, I would tell them to pay attention to the polls because that is what America is going to look like on CNN next November 2, in the evening, if you continue down this road.

I thank the Chair.

Mr. CORKER. I thank the Senator. I know of nobody who has spoken more eloquently on this topic than the Senator from New Hampshire. Before I hand it off to him, when I was in my 40-something-plus townhall meeting since this debate began, our citizens said to me they wanted the same choices I had as a U.S. Senator. This expansion for the American people is mostly being done in the area of Medicaid.

I don't know if the Senator has any comment to that effect or a comment as to whether we Senators ought to be in Medicaid, if this is our idea of health care reform. I certainly hope he will close us out, and I thank him for his tremendous contribution.

Mr. GREGG. Mr. President, I thank all of the Senators here for their comments. I say this—and I think the Senator from Tennessee was alluding to this at town meetings—this expansion of Medicaid isn't good for people. It is not good for people on private insurance. Their insurance will go up, and a lot of employers will have to drop insurance because it is too expensive. It is not good for people getting Medicaid because the number of providers willing to see them will go down. That is what the Actuary tells us, and that is what common sense also tells you. When you are only paying 60 percent of the cost of seeing somebody, people will stop seeing them. It is not good for everybody in all those red States up there on the chart because their taxes will go up because the States are going to get the bill for this. States can do nothing but raise their taxes. So it is not good for people and not good for health care in this country, in my opinion.

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

The ACTING PRESIDENT pro tempore. Thirty minutes has been consumed.

Mr. CORKER. I am sure the Senator from Tennessee—if there is time remaining and if nobody is here to claim it—would like to speak. He is always good at explaining the deficiencies of this bill.

Mr. ALEXANDER. Mr. President, I thank the Senator. I am impressed

with the number of Senators here this afternoon. One thought comes to mind, and I wonder if some of my colleagues may want to talk about it. I woke up one day and saw on television a sign that said “32 percent tuition increase for the students of California.” The University of California could be the best public institution of higher education in the world.

One of the great things the United States has—which keeps us competitive and gives us a chance to continue to grow and create new jobs—is a superior system of higher education. About half of the best universities—Harvard, Yale, and the private universities—half or more than half are public universities, where tuition is a few thousand dollars a year. Well, what is going to happen with this? All of us who have been Governors have gone through this. You have a pot of money left, and it either goes into higher education or Medicaid. For the last 30 years, we have been having to fight to fund Medicaid, and as a result States have not been funding public higher education properly and the quality has gone down and the tuition has gone up.

What is this bill saying? It says that, after 3 years, we are going to dump a huge new cost on the States. I don't believe I am overstating it when I say that in our State of Tennessee, given the terrible fiscal condition our States are in today—and our State is more conservatively run than most—I believe our State could only fund this through a new State income tax and/or serious damage to higher education or both. I wonder if that is not the case in all of the other States represented here.

Mr. CORKER. Listening to what the Senator just said, I looked on the other side of the aisle and realized there is no one there. This is one of those issues. I know that on Medicare, the other side has been able to argue they are extending the life of Medicare. Yet Senator GREGG so clearly pointed out yesterday on national television that is impossible because they are taking those savings to pay for a new entitlement program. At the end of the day, it really will not be extending the life in any way. We all wonder why those savings are not being utilized now to make Medicare more solvent.

I wonder what my friends on the other side of the aisle would argue in favor of the largest expansion of Medicaid. I think that would be a pretty hollow argument. I think everyone knows that it was all about money, that this was the cheapest way to try to meet some goals—by passing it off to States. I would love to hear somebody on the other side argue how health care reform, where 50 percent of the people being added are being thrown into the worst program that exists in America—I would love to hear somebody over there argue how that is good for our country.

I know Senator GREGG, myself, and others have signed on to legislation

that would give low-income citizens choices among private companies and, with that, vouchers, nonrefundable tax credits, and then to be able to pay for that. That is health care reform. That is something that creates robust competition, and certainly we would not have these low-income individuals locked into the dungeon of the worst health care program that exists simply because it is cheap, making, in essence, the value of their health care less than the value of ours here in the Senate.

I would love to hear anybody on the other side of the aisle argue for expanding Medicaid—how that is a good thing for the citizens it covers.

I see we have someone from the other side of the aisle here. Mr. President, I don't know if we still have time to talk. I know Senator JOHANNS has comments to make.

The ACTING PRESIDENT pro tempore. The time for the minority has expired.

The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I rise to speak about the ways in which small businesses will be helped in this bill.

Before my colleagues leave the floor, had some of them stayed at the negotiating table, perhaps some of the provisions they talked about could have been considered. Since they pretty much packed up their bags months ago and left the debate and they just come to the floor to talk, it is very difficult to put any of their provisions in the legislation. There were some amendments that were accepted in the Finance Committee and in the HELP Committee.

The fact is, there is a lot of choice in this bill. There are a lot of choices for individuals and for small businesses. There is help for Americans and for businesses not only in the State of Louisiana, which I represent, but all the States in the Union.

As you can see on this chart, without reform, the cost for small businesses will rise from—or the jobs lost because of the lack of reform will rise from 39,000, to 70,000, to 103,000, to 137,000, and then to 178,000. These are jobs lost because small businesses are having a very difficult time affording premiums and because of a lack of reform in the private insurance market, which this bill also provides. This trendline will continue unless we do something. That is why many of us are here working early in the morning, through the middle of the day, and until late at night trying to figure out the way to reform this system.

I respect my colleagues. I know them all very well. They made their statements for the record this morning. But the fact is, we have been at this since Harry Truman was the President. We can't throw this bill away and start over again. There is choice and there is expansion of Medicaid and reform in the Medicaid system. There will be strengthening and reform of the Medicare system. In the middle, there is

great strength and reform of the private insurance market.

I am a very strong supporter of choice and competition. I came to the floor to speak about a segment of our population—27 million, to be exact. That is the number of small businesses that are depending on us to do our very best work on the Patient Protection and Affordable Care Act pending before the Senate as we speak.

Our economic prosperity as a nation, as you know, Mr. President, as a former Governor of Virginia who helped bring millions of jobs to your State and now as a leader on small business yourself, the economic prosperity of our Nation relies, in large measure, on how we can help our small businesses become the economic engines we know they can be to help lift us out of this recession.

Entrepreneurs roll up their sleeves and go to work each and every day. They go early to work; they stay late. They create jobs. They push the envelope on technical advances, and they assume the risk necessary to succeed in the private marketplace. Small businesses created 64 percent of American jobs in the last 15 years, according to the Small Business Administration and others.

Yet as chair of the Senate Committee on Small Business and Entrepreneurship, I have heard time and time again from these same business owners that they cannot afford to operate in the current broken health care system, and they desperately need us to fix it. That is what this effort underway is.

Small businesses have been hard hit by premiums that are regularly increasing at 15 percent, 25 percent and, in many cases, 45 percent. This is the cumulative cost of health benefits: You will see, in 2009, \$156 billion. Without reform, it is going to go to \$717 billion. Then, in 2015, it will exceed the \$1 trillion mark. This is what happens if we do what my colleagues are urging us to do and do nothing or to start again.

We have been, as I said, since Harry Truman was President, trying to figure out a way to provide each and every American with affordable health insurance, either through the public or the private sector or some combination of the above. That is why this bill is so important because, without reform, this is the price our small businesses will have to pay, and it is too steep, it is too high of a mountain for them to climb.

Without these reforms, as I said, costs are expected to more than double over the next 10 years. But this debate is not about numbers, it is about people—people such as Mike Brey, who owns Hobby Works in Laurel, MD, and who was here just last week in the Capitol to speak at a press conference. I have had hundreds of business owners from all over the country to come. Mike was one of the last ones to come and speak at a press conference last week. He said to us that his plan not too long ago cost only \$100 a person,

most of which he was happy to cover as a company. Over the years, however, his premiums have tripled and his employees have seen their costs go five times higher as they pay more of their premiums, up to almost a \$1,200 deductible.

Mike said—and his words are echoed by business owners in my State and business owners around the country:

Those of us who do provide coverage are slowly being dragged down by these costs. Something that we once considered a benefit, a benefit I was proud to provide, has now come to be seen as a burden—a burden to be feared because you don't know what is coming next.

He went on to say:

After years of astonishing rate hikes and declining competition among providers, many small businesses, like mine, may be only one or two years away from having to cut their health care programs entirely. I'm not going to let [these premiums] put me out of business. I'm just going to say we can't do it anymore.

This is what is happening all across America. Only 15 years ago, 65 percent of small businesses in our country offered affordable health insurance, something they were proud to provide—full and comprehensive coverage, many of them picking up a majority of the costs. Today that has dropped to 39 percent and dropping every week that we fail to act.

Small business owners, such as Mike from Maryland, hundreds in my State, need meaningful health care reform. The Senate health care bill contains measures that responsibly put in place both intermediate and long-term insurance reforms that are very important.

Let me start with the immediate benefits. I understand there are some, including myself, who would like to see more immediate benefits, but these are some that are important, substantial, and real.

Temporary reinsurance for early retirees will be available under this bill. This will help many in a very tough stage in their life.

States may establish exchanges to get a jump on, of course, the mandatory date that is in the bill.

No annual limits and restricted lifetime limits. This will be a very important benefit to small business.

Reporting medical loss ratios. For the first time, insurance companies will have to report information that will help keep the costs lower over time and bring more transparency and accountability to the system.

The bridge credit for small businesses will go into effect almost immediately. It will help businesses that have 10 employees or 25 employees provide health coverage for their workers.

Then, in the intermediate timeframe, there are some additional ones. The exchanges will be set up by 2014. When people on the other side talk about choice, there is going to be plenty of choice in this bill for uninsured individuals, for those who are in small businesses up to 100 employees. They will be able to access these exchanges

and look for affordable options. That is going to be a major improvement over the current system.

There is a bridge credit—a credit I call a bridge credit—a bridge to the exchanges for small businesses. Once the exchanges are up and running, businesses with 10 and 25 employees or less will be able to get almost 35 percent credit for the insurance they provide. That is in addition to the deductibility they have in current law.

I ask unanimous consent to speak for another 5 minutes.

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

Ms. LANDRIEU. Mr. President, one of the major criticisms of this bill has been the costs. The bill does show fiscal responsibility, cutting budget deficits by \$127 billion in the first decade and \$650 billion in the second decade. Anything we do is going to cost money upfront to fix the system, but the way this bill is being designed is that for every dollar that is spent, there is a dollar raised to pay for that change. That is a refreshing change of method, considering the last 8 years, where bill after bill was put on this floor, whether for domestic or international priorities, and not paid for at all.

We can be criticized for trying to push major reform forward, but at least we are finding ways within the system to pay for these important changes that will hopefully drive down costs for everyone.

As Mike reminded me, the gentleman who spoke at our press conference:

It is even more important not to let one problem prevent you from solving another problem.

While we do have budget deficit problems and we are very sensitive to it, we cannot allow that to stop us from doing anything else. What we can do, as we work on the other problems, is to do it in the most fiscally responsible way possible. That is why I and many Members of the Senate have said we are not prepared to vote on anything until we get a final CBO score, to make sure not only can we afford it and not only have we paid for it but that, over time, premium costs will go down, costs to the government will go down, both at the Federal and State level, as well as to small businesses.

The Business Roundtable reports that these exchanges, both in the near term and the intermediate term, could reduce administrative costs for business owners by as much as 22 percent. If business owners are making shoes, they can get back to making shoes, not running around looking for insurance they cannot find and, if they can, it is too expensive for them anyway. If they are building high-tech equipment or electronic equipment, they can get back to the business of doing that, instead of being in the business of figuring out insurance actuarial tables.

Reducing administrative costs for small businesses is important. Twenty-two million self-employed Americans

have even more unpredictable costs. Their premiums have risen 74 percent since 2001. These exchanges will help them also reduce administrative costs.

I am proud that one of the amendments I have pending on the Senate floor would give the self-employed a 50-percent tax deduction so they can be on a similar playing field, if you will, for the small businesses and large businesses that enjoy favorable tax treatment under the current Tax Code.

It has been mentioned before, but insurance companies will no longer be allowed to arbitrarily raise rates or drop coverage. Instead, companies will be forced to compete on the price and quality of their plans, not by underwriting the least risk.

The bill also has no employer mandate. Instead, we have a shared responsibility for businesses with more than 50 employees. Ninety-six percent of small businesses in America are exempt from the provision of required coverage, but we have come to terms with a system that requires individuals to purchase insurance, as well as small businesses to provide insurance with proper tax credits and subsidies that help them make it possible.

To help small businesses more immediately bridge the affordability gap, these exchanges will not be up and running until 2014. Again, there is an amendment to push that up. I hope we will be able to do that.

In the bill, tax credits will help about 51,000 businesses in my State of Louisiana alone. There are hundreds of thousands of businesses that will benefit—51,000 in my home State of Louisiana alone—because of the credits that are in the bill, and through the amendment process, we are hoping to enrich and expand them.

While these provisions in the underlying bill are strong for small business, there is always room for improvement. That is why I, along with many of my colleagues, have submitted a series of amendments. Some have costs to them, such as the 50-percent deduction. It is a \$12 billion cost. But if we can find it in the bill, if the mark allows us to find \$12 billion, that would be a good place to spend it because these individuals, whether they are realtors, attorneys, accountants, sole contractors, or carpenters who are working out there creating a job for themselves and creating economic opportunity in their communities, could use a tax cut and a tax credit to help them.

There are a series of amendments that I have submitted that do not have any costs associated. They are just common sense and create more efficiency in the system. I trust the leadership will consider including those amendments.

In addition, Senator LINCOLN has an amendment to expand both the bridge credit and the tax credit. It is a \$9 billion provision. We are hoping the mark will allow for that addition as well.

I wish to mention a few other points in my closing. I thank the small business owners, organizations, and advocates who remained at the negotiating table. They did not pack up their bags and run away. They stayed here in Washington, in State capitals, on telephones, on conference calls, in public meetings, in the debates taking place in the many committee rooms to argue for this kind of reform—for choice, for transparency, for insurance market reform, the tax credits, more favorable tax treatment to help them afford the insurance they know is the right thing for them to do and it is the smart thing for them to do. Most small business owners want to provide good health insurance for their employees so they can compete for the best employees out there, which helps them keep their businesses strong.

I thank the small business owners, particularly the small business majority, many of the women business owners, organizations that have stayed at the table to help negotiate this important bill.

In conclusion, as we move forward, I am prepared to work with my colleagues in the Senate to pass meaningful and responsible health care reform for small businesses. We have a historic opportunity in Washington to fix a system that is broken, that is in desperate need of repair. Let us not let this chance slip away.

In these final days of negotiation, let us come together to find a way forward, again, one that reforms the private insurance market, strengthens Medicare, and sustains its viability over a longer period of time, helps to improve the system of Medicaid, by hopefully providing poor, middle-class, and wealthy people with more choices of health care and by coming to terms that we are not going to have an all-public system and we are not going to have an all-private system. We are going to have to find a middle ground, where we take the best of both sides of the public and private system and put them together so every American can have insurance they can count on and, most important, that our small businesses can have insurance that help them create the jobs necessary to lead us out of this recession to start turning this deficit situation around and creating wealth and prosperity for all Americans.

Mr. President, I see my colleague here, the Senator from Vermont, and so I thank the Chair and I yield my time.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. SANDERS. Mr. President, as an Independent, let me try to give an independent assessment of where we are—which ain't easy, because this is a 2,000-page bill and different people have expressed different thoughts about it. I know my Republican friends are down here on the floor every day telling us that the world as we know it will rapidly come to an end if this legislation

is passed, and yet I want to say to them: Where were they for 8 years? Where were they during the 10 years of President Bush? Some 7 million Americans lost their health insurance, health premiums soared, and tens of thousands of people died every single year because they couldn't get to a doctor. Where were they? It is very easy to be critical, but it might have been a good idea if 5 or 6 or 8 years ago they were down here before the crisis erupted to the level it is right now.

This bill, in my view, is far from perfect, and I am going to talk about some of the problems I have with it, but I also want to very briefly outline some of the real assets, positive provisions that are in this legislation. It is not insignificant that this bill provides insurance for 31 million Americans who have no insurance. That is a huge step forward for our country. It is not insignificant that this legislation provides for major health insurance reform, finally outlawing some of the most outrageous behavior patterns of the private insurance companies—practices such as denying people coverage for preexisting conditions, behaviors such as not renewing health insurance because somebody committed the crime the preceding year of getting sick and running up a huge bill. It eliminates caps on the amount of money that people need. Well, you know what, if people need cancer surgery, it is expensive, and you can't tell them there is going to be a cap on what they receive. This bill, importantly, says to families with young people that young people will get coverage until they are 26 years of age. That is a very important provision. All of those are very important steps forward.

Having said that, let me also mention that this bill is strong on disease prevention. The Senator from Iowa, TOM HARKIN, has talked for years about the need to understand why we are seeing more and more people coming down with cancer or heart disease or diabetes or other chronic illnesses, which not only cause death and pain and suffering but huge expenditures for our health care system. It seems to me to make a lot more sense to get to the root of the causation of those problems, try to prevent them, and in the process keep people healthy, and save our system substantial sums of money. We have a lot of resources in there for disease prevention.

Those are a few of the positive elements that are in this bill, and I congratulate the people who have fought to make those provisions possible. But let me talk about some of the weaknesses in this bill and some of the areas where I have real concern.

Right now, today, we are spending almost twice as much per person on health care as any other major country on Earth, despite the fact our health care outcomes in many cases are not as good. Can I stand here with a straight face and say we have got strong cost-containment provisions in this legisla-

tion; that if you are an ordinary person who has employer-based health care your premiums are not going to go up in the next 8 years based on what is in this bill? I can't say that. It is not accurate. So we need to have in this bill, as we proceed on it, to make sure there are far stronger cost-containment provisions than currently exist.

To my mind, at the very least, we must have a strong public option to provide competition to the private insurance companies that are raising their rates outrageously every single year. What is to prevent them from continuing to do that under this legislation? Not a whole lot, frankly. So the fight must continue for strong public options, not just to give individuals a choice about whether they have a public plan or a private plan but to also provide competition to the private insurance companies.

Second, let me tell you another concern I have. Right now, our primary health care system in this country is on the verge of collapse. There are people all over this country who cannot get in to see a doctor. In fact, we have some 60 million people in medically underserved areas. Most of them can't get to a doctor. What they end up doing is going to an emergency room. They get sicker than they should be and end up going to a hospital, at great expense to our system, and adding a lot of human suffering. What I worry about, if we add 15 more million into Medicaid, if we add another 16 million people into private health insurance, where are those people going to get the primary health care they desperately need? The system is inadequate now. It certainly does not have the infrastructure to address 31 million more people who are getting health insurance.

The good news is that in the House there is language put in there—and fought for by Congressman JIM CLYBURN—that would add \$14 billion over a 5-year period in order to see a significant expansion of community health centers and the National Health Service Corps. Community health centers today are providing primary health care, dental care, low-cost prescription drugs, mental health counseling to some 20 million people. What is in the House bill is language that greatly expands that program and also expands the National Health Service Corps, which provides debt forgiveness for medical students who are going to practice primary health care, dental care, or nursing in underserved areas.

We desperately need more primary health care physicians. Certainly we have to change reimbursement rates, but one way we can help is that when medical school students are graduating with \$150,000 in debt, debt forgiveness will help them be involved in primary health care. So this is an absolutely essential provision we have got to adopt. We have to do what the House did and provide at least \$14 billion more for primary health care, an expansion of community health centers and the National Health Service Corps.

There is another issue. I know there are not many people in this institution who agree with me—although there are millions of Americans who do—that at the end of the day we have to understand that one of the reasons our current health care system is so expensive, so wasteful, so bureaucratic, so inefficient is that it is heavily dominated by private health insurance companies whose only goal in life is to make as much money as they can. We have 1,300 private insurance companies administering thousands and thousands and thousands of separate plans, each one designed to make a profit. The result is we are wasting about \$400 billion a year on administrative costs, profiteering, high CEO compensation packages, advertising, and all the other stuff that goes with the goal of private insurance companies to make as much money as they can. So I will be offering on the floor of the Senate, I believe for the first time in history, a national single-payer program, and I look forward to getting a vote on that.

I am not naive; I know we will lose that vote. But I will tell you, at the end of the day—not this year, not next year, but sometime in the future—this country will come to understand that if we are going to provide comprehensive quality care to all of our people, the only way we will do that is through a Medicare-for-all, single-payer system, and I am glad to be able to start that debate by offering that amendment.

But more importantly for the immediate moment, we have language in this legislation which must be improved which gives States—individual States—the right, if they so choose, to go forward with a great deal of flexibility in order to provide quality care to all of their people. Many States may look at a single payer, other States may look at other approaches. But I believe it is absolutely imperative—and I am working with Senator RON WYDEN on this issue—to give maximum flexibility to States to be able to take the money that otherwise would be coming in to their State to use for their own innovative health care programs designed to provide quality, universal, comprehensive health care in a cost-effective way. Some may choose to go single payer, some may choose to go in another direction. We have language in there which must be improved so that States can begin that process when the exchange comes into effect in 2014.

I want to touch on two other issues briefly. The House has very good language in determining how we are going to pay the \$800 billion to \$900 billion we are spending. What the House says is there should be a 5.4 percent surtax on adjusted gross income above \$2.4 million for individuals and \$4.8 million for couples. That means nobody in this country who is making less than \$2.4 million or less than \$4.8 million as a couple will pay one nickel.

What we have here in the Senate, unfortunately, is a tax on health insur-

ance programs which, in fact, will result in the middle class paying, over a period of time, a not so insignificant amount of money as part of this process.

The ACTING PRESIDENT pro tempore. The Senator has used his time.

Mr. SANDERS. I ask unanimous consent for 5 more minutes.

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

Mr. SANDERS. Mr. President, in joining me, Senators BROWN and FRANKEN are supporting this amendment, as well as the AFL-CIO, the National Education Association, the International Brotherhood of Teamsters, the Communication Workers of America, the United Steelworkers of America, the American Postal Workers Union, and many other organizations representing millions of Americans.

The bottom line here is that at a time when we are in the worst economic crisis since the Great Depression, do we want to ask the middle class to pay more in taxes as part of health care reform or should we ask the wealthiest people in this country to start paying their fair share of taxes? I think the evidence is overwhelming that we should do that.

I would point out that, according to the consultant group Mercer, the Senate tax on health insurance plans—despite what we are hearing about a so-called Cadillac plan—would hit one in five health insurance plans in 2013. The CBO has estimated that this tax would affect 19 percent of workers with employer-provided health coverage in 2016. So what we have got to do is junk the tax on health insurance plans, move to the House provision, which says let us ask the wealthiest people in this country to pay a modest amount in order to make sure many more Americans have health insurance.

The last point I want to make is that in the current bill being debated now there is a provision which deals with the reimportation of prescription drugs. This is an issue I have been involved in almost since I have been in the Congress. I was the first Member of the Congress to take Americans into Canada, across the dividing line, in order to purchase low-cost prescription drugs. I will never forget the reality that women who were with me from Franklin County, VT, ended up paying one-tenth the price for Tamoxifen—a widely used breast cancer drug—than they had been paying in the United States. They pay one-tenth the price in Montreal, Canada, for the same exact medicine.

We have to be bold. I know and you know that the drug companies are very powerful. They are delighted that the American people are paying by far the highest prices in the world for prescription drugs. That is good for them. They are making a lot of money. But it is not good for the average American who cannot afford to buy the prescription that his or her doctor is writing. So we

have to pass prescription drug reimportation. We have to lower the cost of prescription drugs in this country significantly.

The bottom line here is that this bill has a number of very important features which I think will make life easier for a lot of our fellow Americans. There are problems remaining, and I hope that in the coming weeks we will successfully address those problems.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. KYL. Mr. President, I ask unanimous consent that Senator NELSON from Florida be allowed to speak for 10 minutes; after that, that I be allowed to speak for 10 minutes; after that, that Senator MURKOWSKI speak for 10 minutes; and after that, Senator DODD. Following that—Senator MURKOWSKI for 20 minutes. I am sorry; and after that, Senator DODD.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, it is a wonder this health care bill has survived this far with so many people shooting at it. But survive it must and survive it will, because it is the right thing to do. With a country that has 46 million people who do not have health insurance, when they do get health care, it costs the rest of us a lot of money because they get it free in the most expensive place. That is not a system that is operating as it should and that is what this whole effort is about. This whole effort is about trying to help people who cannot get insurance get it—those who desperately want it, who cannot get it, to be able to get it—and those who have it to not have it canceled on them in the middle of their treatments.

It is all about people who desperately want insurance suddenly having an excuse from an insurance company: No, you can't get insurance because you have a preexisting condition. Some of those preexisting conditions are the flimsiest excuses. But what about those who have had a heart attack who definitely desperately need health insurance after that? This legislation is all about folks who desperately want insurance and they finally find an insurance company that will insure them and then they cannot afford it.

Why, in America, in the year 2009 and almost 2010, aren't we at the point of being able to give our people the confidence, the satisfaction, the loss of fright that they cannot take care of their families if they get sick? That is what this legislation is all about.

But everybody and his brother and sister are taking these potshots and every special interest that has their finger in the pie wants their share of the pie and to heck with anybody else. This is what we are trying to overcome. We are trying to overcome a system that has built up since World War II, over the last 60 years, that is inefficient and is not giving the health care

to the people who desperately need it, unless they can afford it.

So despite all these potshots, survive this bill, it must and survive it will. We are going to pass this bill, and somehow we are going to get 60 votes cobbled together to break this filibuster so we can get on to the final passage of this legislation.

I wish to give one example. You remember that story, that famous novel, "A Tale of Two Cities," about London and Paris? I am going to give you a story, a tale of two industries and what they are doing in this bill. One industry is the insurance industry, the other industry is the pharmaceutical industry—two industries that have an enormous interest in the outcome and high stakes in how this legislation comes out. On the one hand is the insurance industry. They are running TV ads all over this country, trying to torpedo this. If you watch those 30-second and 60-second ads, you would think this is the worst thing that is going to bankrupt America, and we are not going to have anybody given any insurance. Why are they doing this? Because they know they are going to have to suddenly act responsibly. They are not going to be able to have the excuse of a preexisting condition, they are not going to be able to cancel your policy in the middle of your treatment. You thought they would come to the table, when suddenly we were going to insure an additional 46 million people, that they were going to get all those premiums. But because the subsidies were not enough for the poor people or, if they did not buy that insurance in the health insurance exchange that the penalty wasn't enough, the insurance industry said: Forget it.

Contrast that with the pharmaceutical industry. The pharmaceutical industry, to their credit, is still supporting this bill. That is very good. They are one of the few deep-pocketed industries that can go out and buy TV time and support this bill. But remember when I said everybody has their finger in the pie? The pharmaceutical industry—I want them to know how much I appreciate what they have done, but they can do more. Let me give a case in point. They say in their so-called \$80 billion contribution that \$20 billion of that is to have a 50-percent discount on their brand-named drugs in the doughnut hole. The doughnut hole is that vast amount—of about \$3,000 that senior citizens, once Medicare helps them get up to it—it is about \$2,300—above that all the way up to about \$5,300 the Medicare recipient doesn't get any reimbursement. It is not until that higher level that catastrophic Medicare coverage kicks in.

What the pharmaceutical industry has said is they will come in and give a 50-percent discount. Of their \$80 billion contribution, that is worth \$20 billion. But here is what they didn't tell you. Again, I am speaking very favorably for them because they are supporting the legislation. But this is

what they did not tell you. They did not tell you, with that 50-percent discount, that, No. 1, they are going to have increased sales of their brand-name drugs to the tune of \$5 billion over this 10-year period in the doughnut hole because they are selling more drugs in the doughnut hole; and because that means more people get above that \$5,300 level and get it into catastrophic coverage, that they are going to be able to sell, incremental sales, another \$25 billion or a total of increased sales of \$30 billion.

They are going to contribute \$20 billion, but they are going to get \$30 billion additional. So they come out a net \$10 billion over 10 years to the good.

What I would ask the pharmaceutical industry—that we appreciate—to do is come in and give a 100-percent discount and, by their own numbers, they have come up with, in a study by Morgan Stanley—by their own numbers, a 100-percent discount would cost them \$40 billion over 10 years, but they would reap back, by Morgan Stanley's numbers, \$60 billion. They would be, the pharmaceutical industry would be \$20 billion to the good.

It is a tale of two industries. One is the insurance industry, which grabbed its bag of marbles and said you are not making the penalties severe enough, we are taking our bag of marbles and we are going home and we are going to try to defeat your bill.

No. 2, the pharmaceutical industry, which has still hung in there but which can do a lot more. I hope, as we get into these negotiations, they will be willing to step up and set the example of health care reform in America.

I yield the floor.

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

Mr. KYL. Mr. President, let me talk for a moment about one aspect of the health care legislation that has been of great concern to our Nation's Governors. The Presiding Officer can certainly appreciate the problem since, among other Governors and former Governors, the Presiding Officer had the responsibility of balancing a State budget with one of the largest obligations, being the payment for the Medicaid patients.

My Governor, Jan Brewer, of Arizona, was in town last week. She talked to me about the problem. She sent me a letter which, in a moment, I will ask to be printed in the RECORD. But as a result of that conversation, I wish to point out some things to my colleagues and hope we can revisit the legislation that is on the floor.

Incidentally, before we do that, let me note the fact that my colleague from Florida referred a moment ago to a filibuster. I wish to be clear. I presume he was not referring to Republicans filibustering the bill, since we have been asking to have votes on the pending amendment, which is the Crapo amendment, since 6 days ago when that amendment was posited. As

a matter of fact, the Republican leader on Sunday finally had to file cloture on the Crapo amendment, which will ripen tomorrow morning, to end the filibuster the majority has been conducting.

I understand members of the majority have not been able to decide how to proceed. But in the meantime, we have not been able to vote on any pending amendments. Republicans would like to do that, would like to get some more amendments up and continue on with our debate on the bill. For a bill this important, we should have been able to dispose of a lot more amendments than we have. So lest anybody believe there is a Republican filibuster going on, I hasten to add that, of course, is not true.

Let me talk about the Medicaid features of this bill. It is against the backdrop of unemployment because, as you get more people on unemployment, you are going to have more people on the Medicaid rolls. Arizona's unemployment rate has risen 6 points just since June of 2007 and more and more of our people are, therefore, eligible for our Medicaid Program, which is known in Arizona as the AHCCCS Program.

Currently, one in five Arizonans is covered through AHCCCS; over 200,000 Arizonans have enrolled in AHCCCS since December 31. That is nearly 20,000 new enrollees every month. So we are talking about a substantial burden as a result of the recession we are in on our State government.

As my State and many others have had to deal with the challenges of the recession, declining State revenues, increasing need for certain State services, the last thing Washington should do is make things even harder for the States. Yet that is exactly what the Reid bill would do. The Reid bill would require States to expand Medicaid eligibility to all children, parents, and childless adults up to 133 percent of Federal poverty, beginning January 1, 2014, and there is even talk now of raising that to 150 percent of poverty. Moreover, the Federal government would only foot the bill for 3 years. In 2017, and in subsequent years, the States would have to help finance this expansion. The Congressional Budget Office estimates that \$25 billion in new State spending would result in the Reid bill.

The Arizona Governor's office estimates this bill would require the State of Arizona to increase its costs by almost \$4 billion, between now and 2020. The State of Arizona does not have that kind of money.

Just the so-called woodwork effect alone, meaning the number of currently eligible individuals who might enroll, would itself entail significant costs. There are about 200,000 Arizonans currently eligible but not all are enrolled in Medicaid. If only half those individuals would enroll, it would cost the State \$2 billion, from 2014 to 2019.

As I said, our State simply doesn't have the money to do that. Our Arizona Governor wrote to Chairman BAUCUS stating her strong opposition to the Medicaid expansion. I ask unanimous consent that her letter, dated October 6, to Chairman BAUCUS be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. KYL. Let me read a few key excerpts.

First:

Arizona cannot afford our current Medicaid program, despite the fact that we have one of the lowest per member per year costs in the country. Arizona's General Fund spending on our Medicaid agency has increased by 230 percent over the past ten years, rising from 8 percent of total General Fund spending in fiscal year 1998-1999 to 16 percent ten years later. As part of the solutions for our current year's budget shortfall, we have had to reduce Medicaid provider reimbursement by over \$300 million and freeze institutional reimbursement rates, resulting in an additional loss of more than \$60 million.

Despite these reductions, we are sacrificing other state programs that impact the education, health and safety of our children and our seniors in order to cover the growing costs of Medicaid. Considering this, it is incomprehensible that Congress is contemplating an enormous unfunded entitlement mandate on the states. The disconnect between policymakers in Washington and the reality of State and local governments is disheartening.

Let me quote from some other colleagues of Governor Brewer's, Democratic and Republican Governors around the country who have made exactly the same point.

The newly elected chairman of the Democratic Governors Association chairman is Jack Markell of Delaware. He said:

We've got concerns . . . And we're doing our best to communicate them. We understand the need to get something done, and we're supportive of getting something done. But we want to make sure it is done in a way that state budgets are not negatively impacted. . . . But I believe all governors are certainly concerned about what the potential impact is of some of these bills.

Governor Rendell of Pennsylvania, who has been on television a lot and makes a lot of sense when he talks about this:

I don't think it's an accounting trick. I think it's an unfunded mandate. We just don't have the wherewithal to absorb that without some new revenue source.

Bill Richardson of New Mexico:

We can't afford that, and that's not acceptable.

Gov. Phil Bredesen of Tennessee said he feared Congress was about to bestow "the mother of all underfunded mandates."

He was referring to this Medicaid mandate.

Gov. Christine Gregoire of Washington State:

As a governor, my concern is that if we try to cost-shift to the states, we're not going to be in a position to pick up the tab.

Bill Ritter, Democrat of Colorado:

Our only point was that a significant Medicaid expansion should not operate as an unfunded mandate for the states.

Gov. Brian Schweitzer, Democrat of Montana:

The governors are concerned about unfunded mandates, another situation where the federal government says you must do X and you must pay for it.

Let me quote two more.

Gov. Ted Strickland of Ohio:

The states, with our financial challenges right now, are not in a position to accept additional Medicaid responsibilities.

Governor Perdue of North Carolina:

The absolute deal breaker for me a governor is a federal plan that shifts costs to the States.

There are more and more I could quote. The point is, virtually all of the Nation's Governors have expressed a concern about this and have alluded in one way or another to the disconnect between Washington and the States. The point is, Washington seems to bark the orders but it is with no regard to the difficult financial challenge many of these States are in.

One final point. These new unfunded mandates generally mean higher taxes and significant payment cuts to safety net providers, just as Governor Brewer said, and ultimately the loss of jobs. This is the example I want to close with. Phoenix Children's Hospital was built to handle 20,000 emergency cases a year. It is a great hospital. It receives about 60,000 per year. Its capacity does not begin to match the need. To meet the demand—and by the way, more than half of these are Medicaid patients—the hospital built a new tower expected to open at the end of next year. Good news, right? Not exactly. The hospital has added up the State budget cuts Governor Brewer referred to, the payment cuts in the Reid bill I have referred to, and additional State cuts that will be needed to finance new Federal mandates, and concluded that the math doesn't add up. As a result, the Phoenix Children's Hospital informs me they will not be able to move into their new building. It would have generated 2,000 new jobs. What we do in Washington has real consequences. I submit the Reid bill spells disaster for States.

As we debate more and more features of this bill, each day we focus on something different in this legislation that creates a huge problem. Today's focus is on the problem that is focused on States because of the visit from our Governor. She is at her wit's end because they don't have the fiscal means of paying for this new unfunded mandate. She doesn't know what they will do if Congress ends up passing this. I urge colleagues, we have to find a way to not expand the Medicaid eligibility in a way that adds this new mandate on our States. Incidentally, if the Federal Government were to pick it all up, it simply transfers it to the citizens in the form of higher taxes they would have to pay in order to pay for the

mandate that is laid off on to the States themselves. One way or another, this element of the bill has to be rethought.

I encourage my colleagues on the other side, figure out what you need to do to reach a vote so that we can actually vote on these amendments. Republicans are ready. We have been ready for a long time now. Whatever it is that is causing a problem within your conference, figure it out so you can reach agreement with the Republican leader and we can begin to take votes starting on the Crapo motion and then move on through other amendments we have, one of which is the amendment by Senators HUTCHISON and THUNE, then an amendment by Senator SNOWE, and then an amendment I hope we will be able to offer at some time to remove this unfunded mandate which the States cannot afford to pay for about which I have been talking.

I yield the floor.

EXHIBIT 1

EXECUTIVE OFFICE,
STATE OF ARIZONA,
Phoenix, AZ, Oct. 6, 2009.

Hon. MAX BAUCUS,

U.S. Senate, Chairman, Senate Finance Committee, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN BAUCUS: I have been following the debate on federal healthcare reform with interest, and I have been working closely with members of Arizona's Congressional delegation to make sure they are well informed about the impact of the various proposals on our state. I am concerned that the proposals under consideration thus far do not consider the fiscal difficulties states are facing and are likely to continue to face over the next few years. Like many, I was particularly focused on the proposal that would emerge from the Senate Finance Committee, and I hoped that your plan would appropriately address state concerns. Given the continued lack of attention to state issues in the Chairman's Mark, I believe it is critical to provide you with my perspective on the state of my state, and how your proposal will impact Arizona.

By way of background, Arizona is wrestling with one of the most challenging economic downturns in state history. Arizona's economy is heavily focused on construction, real estate and the service sector, all of which have experienced declines that have combined to create a severe and lasting recession. While experts are expressing reserved optimism that the national economy may be turning the corner, it is likely that states—including Arizona—will not feel that turnaround for some time to come.

For example, the revenue collections during the most recent fiscal year for Arizona declined by 18 percent. Through the first quarter of the latest fiscal period, revenues from our three major tax sources have decreased an additional 10 percent. Our budget declines are contrasted with our rising Medicaid enrollment, which has grown by 18 percent over the past 12 months. At this time, one in five Arizonans is covered through the Medicaid program and we expect Medicaid enrollment to remain at elevated and unsustainable levels through the near future.

Arizona cannot afford our current Medicaid program, despite the fact that we have one of the lowest per member per year costs in the country. Arizona's General Fund spending on our Medicaid agency has increased by 230 percent over the past ten years, rising from 8 percent of total General

Fund spending in fiscal year 1998–1999 to 16 percent ten years later. As part of the solutions for our current year's budget shortfall, we have had to reduce Medicaid provider reimbursement by over \$300 million and freeze institutional reimbursement rates, resulting in an additional loss of more than \$60 million. However, budgetary savings cannot be achieved solely through provider reductions. Arizona also recently made the difficult decision to eliminate coverage for 9,500 parents of children enrolled in our Children's Health Insurance Program. Looking forward to fiscal year 2010–2011, we know that further reductions will be necessary.

Despite these reductions, we are sacrificing other state programs that impact the education, health and safety of our children and our seniors in order to cover the growing costs of Medicaid. Considering this, it is incomprehensible that Congress is contemplating an enormous unfunded entitlement mandate on the states. The disconnect between policymakers in Washington and the reality of state and local governments is disheartening.

These are realities that many states across the country are facing. Arizona's situation, however, is compounded by the fact that we have already expanded our Medicaid program to all residents with incomes under 100 percent of the federal poverty level (FPL). This decision means that, under your proposal, our state will be unable to take advantage of the higher level of federal funding that will be provided to states that have not enacted similar expansions. In essence, the Chairman's Mark penalizes Arizona for its early coverage of non-traditional Medicaid populations, like childless adults.

I must also point out my concern that estimates developed at the federal level do not accurately reflect the costs that states will ultimately bear. While I have great respect for the Congressional Budget Office (CBO), in this instance, its estimates are substantially below Arizona's fiscal estimates and I believe they underestimate the cost of expansion. For instance, the CBO analysis estimates the State cost of the Medicaid expansion and "woodwork" to be \$454 million. Arizona has an estimated 200,000 citizens below 100 percent of the FPL that are currently eligible for Medicaid, but not enrolled. If only half of those individuals enrolled, the cost of this "woodwork" effect alone would be over \$2.0 billion for FY 2014 through FY 2019, using the traditional Medicaid match. That is a significant difference for just one small state.

I want to reiterate my opposition to these unfunded mandates on states. I implore you to bear in mind the fiscal realities states are facing as we attempt to maintain responsible balanced budgets while preserving services for our most vulnerable residents. I hope you find this information useful as you consider the various proposals before you, and please do not hesitate to contact my office should you require additional information.

Sincerely,

JANICE K. BREWER,
Governor.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

CLIMATE CHANGE

Ms. MURKOWSKI. Mr. President, I know the Senate is focused on health care, but I have come to the floor to speak on another very important topic and that is climate change. I wish to discuss a recent action by the Environmental Protection Agency and the consequences that could entail for our economy and why Congress must pre-

vent it from taking effect. I remind my colleagues that I have committed to a careful evaluation of all the options to address climate change in order to develop an approach that will benefit both our environment and our economy. Over time it has become increasingly apparent that some approaches are better than others. While we have not yet found that right approach, we have certainly identified the wrong approach: EPA regulation of greenhouse gases under the Clean Air Act. I believe this option should be taken off the table so we can focus our attention on more viable policies.

My concerns about this led me to file an amendment in September that would have limited EPA's ability to regulate certain greenhouse gas emissions for a period of 1 fiscal year. I offered my amendment for two reasons: first, to ensure that Congress had sufficient time to work on climate legislation and to ensure that the worst of our options, EPA regulation, did not take effect before that point. Even though Congress was and today remains nowhere close to completing legislation, the majority chose to block debate on my amendment. Since then the EPA has continued its steady march toward regulation. Last week the Administrator signed an endangerment finding for carbon dioxide and five other greenhouse gases. This finding is supposedly rooted in concerns about the public health and the public welfare. What it really endangers is jobs, economic recovery, and American competitiveness. Some have praised the endangerment finding as a step forward in our Nation's efforts to reduce emissions. They view it merely as an affirmation of the scientific assertion that human activities contribute to global climate change. Such a conclusion is within EPA's authority and appears to be appropriate given the years of research indicating that this is the case. Those same scientific findings underscore my desire to address this challenge in a proactive way.

Unfortunately, the endangerment finding is not just a finding. Despite what some in the administration have claimed, its effect is not limited to the science of global climate change. In reality, the finding opens the doors to a sweeping and convoluted process that will require the EPA to issue economywide command and control regulations. Once that finding is finalized, the EPA no longer has discretion over whether they can impose regulations.

As the Administrator noted last week, the agency is now obligated and compelled to take action. This is where it becomes evident that EPA regulation is an awful choice for climate policy. If a pollutant is regulated under one section of the Clean Air Act, it triggers identical treatment in other sections of that statute. So while the EPA initially intends to address only mobile source emissions, meaning vehicles, the agency will also be required to

regulate stationary source emissions as well.

Think of it this way: If the EPA attempts to control any greenhouse gas emissions, the agency will be required to control all greenhouse gas emissions. Because EPA regulations will consist of command and control directives rather than market-based decisions, this approach will increase the price of energy, add greatly to administrative costs, and create many new layers of bureaucracy that must be cut through.

This is why you often see EPA regulations described as intrusive or Byzantine or maze like. They are all of the above. While the permitting process that will be created is unclear, the consequences of imposing these regulations are not. The bottom line is, our economy will suffer. Businesses will be forced to cut jobs, if not close their doors for good. Domestic energy production will be severely restricted, increasing our dependence on foreign suppliers as well as threatening our national security. Housing will become less affordable and consumer goods more expensive, as we see the impacts of the EPA's regulations ripple and break their way across our economy.

In the wake of the majority's decision to block my effort to establish a 1-year timeout for this process, we now find ourselves in a bit of a bind. Even though Congress is working on climate legislation, the EPA is proceeding with a tremendously expensive regulatory scheme. It appears increasingly likely that the EPA will finalize its regulations before Congress has an opportunity to complete debate on climate legislation. That outcome is simply unacceptable as our Nation struggles to regain its economic footing.

Today I have come to announce that I intend to file a disapproval resolution under the provisions of the Congressional Review Act related to the EPA's endangerment finding. I have this resolution drafted. I will introduce it as soon as the EPA formally submits its rule to Congress or publishes it in the Federal Register, as is required by law. My resolution would stop the endangerment finding. In general terms, I am proposing that Congress veto it. Like my previous amendment, this one is also rooted in a desire to see Congress pass climate legislation because the policy is sound on its own merits and not merely as a defense against the threat of harmful regulations.

While I know that passage of this resolution will be an uphill battle, I believe it is in our best interest. It is the best course of action available to us. This is a chance to ensure that Congress, not unelected bureaucrats, decides how our Nation will reduce its emissions.

To understand why my resolution is so critically important, we have to dig deeper into the economic consequences that will result from regulations based upon the endangerment finding. Because there are no regulations within